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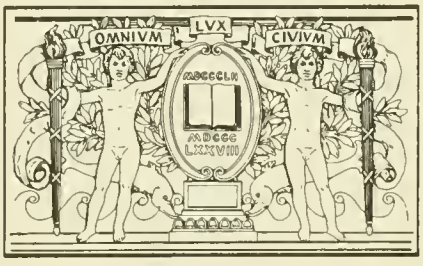

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THE DEPARTMENT OF STATE BULLETIN

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January 7, 1974

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The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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President Ceausescu of Romania Visits the United States

Nicolae Ceausescu, President of the Council of State of the Socialist Republic of Romania, met with President Nixon and other government officials at Washington December 4–6 during an official visit to the United States. Following are an exchange of greetings between President Nixon and President Ceausescu at a welcoming ceremony on the South Lawn of the White House on December 4, their exchange of toasts at a White House dinner that evening, and their remarks upon signing a joint statement of principles on December 5, together with the texts of the joint statement of principles, a joint statement on economic cooperation issued on December 5, and a joint communique issued on December 7.

EXCHANGE OF GREETINGS, DECEMBER 4

Weekly Compilation of Presidential Documents dated December 10

President Nixon

Mr. President, Mrs. Ceausescu, and all of our distinguished guests: Mr. President, it was over three years ago that I had the honor of being the first American President to visit your country and when I had the honor to receive you here in Washington as the first President of Romania to visit our nation's Capital.

In these past three years, we have seen a very great improvement in the relations between our two countries—improvement that is indicated by the amount of trade that we have between our countries, the amount of exchange, and in other areas which we think are particularly important in the economic and political areas.

What is also very significant, however, is that in those three years we have seen a great change in the world in which we live—a change that you and I first discussed in 1967 when I visited your capital, Bucharest, as a private citizen. It was then that we talked of the necessity for a bridge between East and West. And since these three years, we have seen not only the visits I have referred to, but a visit to the People's Republic of China, to the Soviet Union, and the development of new relationships between the United States and nations in the Socialist part of the world, but new relationships between Romania and nations in the non-Socialist part of the world.

It is as we look at the world today that we recognize how those relationships came about, how two countries so very far apart geographically—one much larger than the other in terms of population, but each with a proud history—how two countries with different philosophies of government nevertheless in the field of foreign policy had common objectives, and that was to seek good relations with all nations, regardless of what their philosophical ideas were, a policy of respecting the independence and sovereignty of every nation, large and small, in the world, and a policy of always recognizing that unless each nation has independence and that that independence is not infringed upon and not threatened by other nations, there cannot be real peace, lasting peace, in the world.

This is the goal of our nation; it is the goal of your nation. It is one that we have discussed on several occasions before, and it is one that, in addition to the bipartisan matters we will be discussing, I am sure we

shall discuss at length in our two-day visit on this occasion.

We are happy that you and your wife will be able to visit not only Washington but a number of other cities in our country, and we know that you will receive here the same warmhearted welcome that made such an enormous impression on Mrs. Nixon and me and all the members of our party when we had the honor of visiting your country, Romania.

President Ceausescu [1]

Mr. President, Mrs. Nixon, ladies and gentlemen: It is an occasion of particular pleasure for me, for my wife, and for my colleagues here to find ourselves again in the United States to meet you again, Mr. President, and to continue the dialogue we started in 1967 and which has proved to be so fruitful both for the relations between our two nations and also for the development of cooperation and peace in the world.

It is true that after the visit you officially paid to Romania as the first President of the United States to be in my country, the visit you made together with Mrs. Nixon in 1969, the relations between our two countries have seen a continual progress. We have achieved significant developments in our economic cooperation. At the same time, our relations in the field of science, culture, exchanges of people in various fields, have developed also. Our peoples have started to know each other better and to cooperate together in the interest of general progress, of cooperation and peace in the world.

Likewise, the visit I paid to the United States in 1970, the talks I had at that time with you, with other political, economic personalities, with the representatives of the business community in the United States, have given a new impetus to the cooperation between our two countries. It is true since 1967, and then since your first official visit to my country in 1969, a number of years have passed. And in these years many things have changed in the world, and these changes continue to take place and to become more accentuated, leading in the direction of a better cooperation among all peoples, in the direction of the assertion of each nation's independence, of the right for free economic and social development in conditions of observing each people's right to organize its life as it wishes and deems fit without any outside interference.

One can really say that the visit you paid to Romania was really a good start and it marked favorable developments in the relations of your country with the Socialist countries, followed by the visit to the People's Republic of China and your visit to the Soviet Union. It opened the course toward developing cooperation with other Socialist countries as well. This is certainly an important moment in the developments of the world today and in the general course to insure a lasting peace in this world of ours.

In its policy, Romania starts from the premise that in the settlement of the great international problems all states have a part to play and they all should cooperate on an equal basis. No doubt the greater countries have greater responsibilities and a greater role to play, but life itself has demonstrated that the big international issues can only be settled with the participation and direct contribution of all states in international affairs.

It is only on that basis that we can build a better world, a world with more justice. We are convinced that the peoples of the world will march ever more firmly in this direction.

I am happy to be able to state that the relations between Romania and the United States are based precisely on these principles and that this has been confirmed in the years that have passed. I am persuaded that our visit to the United States and the talks with you, Mr. President, will establish an even more lasting basis to the cooperation between our two countries in the interest of a better and brighter world.

It is with these thoughts, Mr. President, that I address to you and to the people of America the feelings of friendship on behalf of the entire Romanian people. May I wish you and the American people progress and peace.

[1] President Ceausescu spoke in Romanian on all occasions.

Weekly Compilation of Presidential Documents dated December 10

President Nixon

President and Mrs. Ceausescu, and all of our very distinguished and honored guests: As I sit here at this head table in the State Dining Room with the President of Romania, I can imagine that many here in this dining room wonder what we talk about. Now of course I cannot disclose all of the conversation [laughter], but I thought that it would be of interest to all of you, and those who can hear us through this recording [laughter], how the President and I first came to meet and how two of us from, in some ways, very similar backgrounds and in other ways very different backgrounds have each tried to make a contribution to a cause everybody in this room, in both of our countries and, we believe, in the whole world, believes in.

In 1967, when I was not in office and had no prospects of being in office, I visited Romania, and the President was kind enough to receive me. And I was reminded of the subjects we discussed in 1967, just six years ago: the war in Viet-Nam, which then seemed endless; the relations between the United States and the Soviet Union, which then were, at best, at arm's length, certainly not in terms of the communication that we have today; the relations between the United States and the People's Republic of China, which at that time were virtually nonexistent in terms of communication. We talked of many other things, of course—of Romania, the United States, and what this country, our country, owes to those of Romanian background who have come here and contributed so much to the diversity of our whole society.

Since then, in 1969, when I had the honor of being the first American President ever to visit a Socialist country on a state visit, and then again in 1970, when on two occasions the President was here—one on a state visit—and then again today, 1973, I think, as you must think, of how much has happened in those six years.

That war—terribly difficult, costly, for the American people and of course even more so for the Vietnamese people on both sides who were involved—is ended. The United States has begun a new relationship with the People's Republic of China, one which began just a year ago and which continues to develop. The United States, in addition, has had two summit meetings with the leaders of the Soviet Union and of course meetings with other governments in Europe, in Africa, Latin America, around the world.

Now, while these meetings of course have caught a great deal of attention from the press, particularly those involving the major powers, sometimes what is overlooked is the vitally important role that is played by leaders from proud countries but not the biggest countries—a leader like our distinguished guest tonight, because he, speaking with his candor for which he is very famous, spoke to me about then the relations between the United States and the People's Republic of China, Europe, and of course Viet-Nam. We did not agree about many of those subjects, but we both saw the profound need for new departures, for breakthroughs, for change, or otherwise the world would be frozen into a whole structure of confrontation which would inevitably lead to a configuration which could destroy the civilization as we know it.

I am not suggesting that because the President and I met in 1967 and had such a full and frank discussion, and met again on three other occasions in which these discussions were renewed, that those discussions were the reasons for the progress that has been made. What I do say, however, is this: that our distinguished guest tonight, of the world's statesmen, has played one of the most profound roles of any world statesman in seeing the whole problems that we confront in the world and not just those involving his own country and another country with whose leader he might be talking at a certain time. He has shown wisdom and understanding and has contributed enormously to the opening of dialogues that might otherwise have forever been closed.

And so tonight, when we cannot, unfortunately, say that we have peace that will last forever, because it may not be possible

ever for that to be said for sure by anyone, while it cannot be said that because the leaders of the Soviet Union and the United States have met at two summit meetings that that means that the differences those two great powers have are ended, because they have not ended and they will not, because our interests are different—something the President recognizes, something we recognize—and it does not mean that the People's Republic of China, with 800 million people, because of a visit by the President of the United States and other diplomatic visits which followed, has so changed the relationship that those two nations and those two peoples will forever find themselves as friends, not just as individuals but as nations—but being the pragmatists that we are, the President and I, we both agree it means this:

Something very profound and something very positive has happened in these past six years. The world has changed, and it has changed for the better. A war in which the United States was engaged, a very costly one, is over. A new relationship has been developed between the two most powerful nations, and also a new relationship between the United States and the world's most populous nation. And all of this means that the chance that we can avoid a world struggle is greatly increased.

But the point I particularly want to make tonight is this: that as the eyes of the world inevitably turn to the meetings at the summit involving the leaders of great powers, that as far as this nation is concerned, never at one of these meetings in the past, at least on the occasions of our participation in them since I have been in this office, and never in the future as long as our present policies are continued, will the United States, in developing better relations with great powers, do so at the expense of the independence and the sovereignties of proud, fine people like our friends in Romania.

I say that because there is a tendency sometimes for us to believe that all the world's problems would be so easily soluble if only those with great power would use their power to impose those solutions around the world. Now, the great powers have special responsibilities, but as far as the United States of America is concerned, we have a special feeling also in our hearts for people from a country like Romania, a proud people with a great background, who gave to Mrs. Nixon and me, I think, one of the warmest and most heartfelt welcomes we ever received in all of our travels abroad. And we believe that every nation, large and small, has the right to its independence, the right to choose its own way, and the right not to have that independence to be imposed upon, to be infringed upon, by any other power.

That is what U.S. foreign policy is really about. It is about, of course, first, peace in the world. And that means negotiations with great powers and between them, those who have the power to affect the peace; but it also means having respect always for the rights of those nations, whether they be large or small, whether they be powerful or weak, who, except for our recognition of their right to independence, would be in very great jeopardy.

The President of Romania has been a spokesman for what he calls the countries that are not the superpowers. He has been courageous, he has been candid, sometimes critical of our policy, sometimes critical of policies of other countries, but always standing up for his own, and that is a quality we in America admire.

We admire him. We admire his people because of their belief in their independence and their sovereignty and their willingness to defend it.

And so tonight, in proposing the toast to the President, I do so not simply because he is here again as a state guest but also because he has made a major contribution to this profound change in the relations between nations that has occurred over these past five years and also because he stands for a principle that we Americans believe in so deeply: the right of every nation, large or small, to its independence, to its freedom.

And so I know all of you will want to join me in not only drinking to the health of our

distinguished guest, to the friendship between our two peoples, but particularly to the leader of a great and friendly nation: President Ceausescu.

President Ceausescu

Mr. President, Madam, ladies and gentlemen: I should also like to refer briefly to some of the problems pertaining to the relations between our two nations and also to international affairs today.

We truly live in an era of great transformation, both on a national and international level. Men who have obtained important success in the development of economy, science, culture, men who reached out into the outer space, are still preoccupied with a great many problems here on earth.

There is still much inequality in the world. There are people and there are peoples who still live in underdevelopment. And there is a concern to establish relations between people and peoples on a better basis, on more justice, both on a national and on an international level.

No doubt there are many different opinions as to the various ways leading to this better world, to this world with more justice we are dreaming about. But today, more and more statesmen understand, as the peoples understand themselves, that a better world, a world with more justice, should necessarily come about.

You talk, Mr. President, about our discussions in 1967. At that time I was not President of the State Council myself. I was just the Secretary General of the party at that time. Therefore it was not a discussion between two presidents at that time; it was a discussion between two statesmen who could talk frankly and openly.

It appears that sometimes from time to time it may be necessary and useful, too, that people should talk not only in their official capacities, not only as political people, but as people, just as people.

You have subsequently visited Romania as the first President of the United States to visit that country, and you were welcomed there as the Romanian people know how to welcome their friends, those who wish and do respect their independence and their right to a free life.

We met again in 1970 in the United States, at the White House, and now again in '73 in the United States, here at the White House again.

We have indeed talked about many questions, including some, so to say, more philosophical. Mostly we talked, however, about the problems which were a source of concern to mankind at that time.

It was then that we talked about the development of cooperation between our two countries, about the peace in Viet-Nam and in the Middle East, and about establishing relations among states on a new basis. We are able to note today with great satisfaction that quite a number of problems have found a solution.

In Viet-Nam a peace agreement has been arrived at, although still more efforts will have to be made in order to secure a lasting peace in that area.

Direct contacts and relations have been established between the People's Republic of China and the United States as a result of the visit you, Mr. President, paid to China.

A number of agreements have been concluded with the Soviet Union as a result of your visit, sir, to the Soviet Union and of the visit paid by the Secretary General of the Communist Party of the Soviet Union, Mr. Brezhnev, to the United States.

No doubt all this has had, and is still having, an important role on the entire development of international affairs. But the picture will not be complete if we fail to talk about the fact that other changes have also occurred in the world.

An ever-increasing number of nations is asserting more powerfully their words in international affairs and their desire to independent development, and they are playing an ever more active role in international life. Of course, the big countries, as the United States is, and other big countries as well, have an important part to play in international affairs; but I will have to say on

this occasion again, in all frankness, that these countries alone are not in a position to totally insure a new course toward détente and a new course toward a better world and a world with more justice.

The establishment of a new policy in the world, a policy based on equal rights and mutual respect, can only be the result of the united action of all states and of all nations. This is like on a national level in which a real policy of social justice can only be the result of the united effort of the entire people.

You have mentioned, Mr. President, the desire of the United States to act toward building new relations. No doubt in everything that has been done to settle a great number of problems we have mentioned before, the United States has made its contribution. There is no secret to anyone today that it is precisely due to the fact that the President of the United States—you, sir—has taken action in this particular direction and made possible these results.

But still more problems await a settlement, and without doubt more efforts, and sustained efforts, too, will have to be made in this particular direction, having in mind the need to insure cooperation among nations based on equal rights, equal rights irrespective of size or of social system.

During our talks today, we have reached a whole area of understanding, and some agreements for the further cooperation between our two countries have been signed today.

We would like to see the relations between Romania and the United States—between two countries having different social systems, two countries which are different in size, as one can easily see—we wish that these relations should really become an example of the way in which two countries can cooperate based on the principle of equal rights and mutual respect.

We would like to be able to enable history to say that under difficult conditions two nations, a big one and a small one, were able to cooperate in such a way as to contribute toward establishing international relations on a better basis, on a basis of more justice.

I think, and I shall not be to blame if I shall anticipate a little the declaration we are going to sign tomorrow, it is going to be a document of historical importance in its own way, by the mere fact that it expands the relations and the principles that govern relations between countries which are different in many ways but which are united in their desire to cooperate in building friendship between them and in building a world of cooperation and peace.

Since our talks in 1967, Mr. President, we have covered a long way to reach such a declaration which puts down fundamental principles of international relations. This no doubt speaks for itself, and it also shows and illustrates the changes that have taken place in the world. And it shows how the peoples of our two countries, how the leaders of our two countries, have been able to act in order to enforce mutual cooperation and international cooperation for the sake of peace and better cooperation.

Taking as a starting point these changes that have worked their way in the world, we are able now to look upon the future with confidence. Notwithstanding the difficult problems that are still to be solved in the world, they are to be solved if all the peoples will act in unity to build a lasting peace based on equal rights and mutual respect.

May I ask you to join me in this toast: To the President of the United States, who all through these years has an important role to play in the development of international life along this path, for the friendship and cooperation between the peoples of the United States and Romania, for lasting peace and cooperation in the world. To your health, ladies and gentlemen.

REMARKS UPON SIGNING JOINT STATEMENT OF PRINCIPLES, DECEMBER 5

Weekly Compilation of Presidential Documents dated December 10

President Nixon

Mr. President and ladies and gentlemen: As you know, we have had statements of

principles that we have signed with major nations—with the Soviet Union, with the People's Republic of China. In this case we sign a statement of principles with Romania —Romania, which in the scale of size of population is a smaller country. But on the other hand, the fact that this statement of principles is signed between Romania and the United States has a very deep significance, and that significance is that while the United States considers its relations with major powers to be of enormous importance in terms of building a structure of peace in the world, we also consider it a cornerstone of our foreign policy that any agreements that we make must never be at the expense of the sovereignty and of the independence of smaller nations.

Our relations with Romania have been particularly close during this administration due to the personal relationship that I have enjoyed with President Ceausescu, and we have seen growth in our economic communications as well as in a number of other areas, as demonstrated by the agreements that were signed yesterday. But today, as we complete the signing of this document, we are in effect saying to the whole world that as far as the United States is concerned, we believe that the survival of nations, no matter how small, no matter how weak they might be militarily, the survival of nations proud of their sovereignty, proud of their independence, is essential to building a structure of peace in the world, one that we can be proud of. And so for that reason, we thought that having the ceremony here in the Cabinet Room with the members of our Cabinet and the members of the President's official party here was particularly appropriate.

President Ceausescu

Mr. President, ladies and gentlemen: The signing of the joint declaration between the United States and Romania marks a new stage in the relations between our two countries.

It is true that in the last few years, and in particular after the visit paid by President Nixon to Romania, the relations between Romania and the United States have seen a strong development in all fields of activity. These very days we have signed several documents and agreements on our economic cooperation, and we adopted a statement on the principles of our economic cooperation. Today we sign this declaration which places at the basis of the cooperation between Romania and the United States the principles which are asserting themselves ever more strongly in international affairs. As such, they are the only principles apt to insure a lasting and just peace in the world, such as equal rights, respect for the sovereignty and independence of each nation, noninterference in the internal affairs, mutual advantage, and renunciation of force and of any threat with force in the settlement of international issues.

The signing of this declaration between our two countries—countries having different social systems, and which are different in size—is an important event which at the same time confirms the deep, growing changes which now occur in the world and which are accelerated today.

We should like to see the significance of this document expand in the world and demonstrate that in the world today it is indeed possible for all countries, big, medium size, or small, to work together in full equality and to have the right of each nation asserted for its development according to its own wishes so that a better world, a world with more justice, will be built for all.

There is no doubt that the happily existing relations between the United States and Romania have reached the present stage also due to the fact that President Nixon and myself have established good relations of cooperation and friendship and that the President of the United States himself has taken action in trying to apply these principles in the mutual relations with Romania.

We dearly wish that the declaration we have signed today should form the lasting basis for the friendship between our two nations and should contribute at the same time to international peace and cooperation.

TEXT OF JOINT STATEMENT OF PRINCIPLES, DECEMBER 5

JOINT STATEMENT OF THE PRESIDENT OF THE UNITED STATES OF AMERICA, RICHARD NIXON, AND THE PRESIDENT OF THE COUNCIL OF STATE OF THE SOCIALIST REPUBLIC OF ROMANIA, NICOLAE CEAUSESCU

The President of the United States of America, Richard Nixon, and the President of the Council of State of the Socialist Republic of Romania, Nicolae Ceausescu,

—having met in a cordial, constructive and friendly atmosphere, which provided the opportunity for a useful and comprehensive exchange of views,

—having discussed United States-Romanian relations, the principles underlying those relations, and the principal international problems of current concern in a spirit of full and mutual respect reflecting the interests of the American and Romanian peoples in closer contacts,

agreed on the following statement:

They expressed the conviction that all nations, whatever their size, political, economic or social systems or level of development, should contribute to a durable world peace, founded on freedom, equality, justice and respect for human rights.

The two Presidents noted with satisfaction the favorable development of relations and the good results achieved following President Nixon's state visit to Romania in 1969 and his subsequent meeting with President Nicolae Ceausescu in Washington in 1970. They agreed on the desirability of expanding and further developing relations between their two countries on a solid and lasting basis for the mutual benefit of the American and Romanian peoples.

I

The two Presidents solemnly reaffirmed that the bilateral relations between the United States of America and the Socialist Republic of Romania are founded on the purposes and principles of the United Nations Charter, and, consistent with these, especially on the following closely interrelated principles:

the right of each state to existence, independence, and sovereignty;

the juridical equality of all states irrespective of their size, level of development, and political, economic and social systems;

the right of each state freely to choose and develop its political, social, economic, and cultural systems;

refraining from the threat or use of force in violation of the United Nations Charter, respect for territorial integrity, and inviolability of frontiers;

non-intervention, direct or indirect, for any reason whatever, in the internal affairs of any other state;

the duty of states to settle their international disputes by peaceful means;

cooperation in various fields of international relations in order to promote international peace and security and economic and social progress.

II

The two Presidents expressed their determination to develop the relations of the two countries in a spirit of esteem, respect and mutual advantage. They agreed to take measures as appropriate to encourage the expansion of trade as well as industrial, scientific and technical cooperation, in particular, such forms of collaboration as joint ventures and joint research between enterprises and institutions of the two countries. They also agreed to take appropriate measures to develop friendly relations between the two peoples, by creating conditions for better mutual knowledge of their spiritual and material values, by expanding and deepening contacts and exchanges in such fields as science, technology, culture, arts, education, information, and tourism, by relations between institutions, organizations, associations, and enterprises, as well as by contacts between the citizens of the two countries. They will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will.

III

The two Presidents expressed their determination to act for the strengthening of the role of the United Nations in the maintenance and consolidation of international peace, the development of cooperation among all nations, and the promotion of the norms of international law in relations among states.

They stressed the importance of achieving effective measures of disarmament conducive to the strengthening of international peace and security.

They agreed to continue their support for the achievement of security and cooperation in Europe, noting that the Conference on Security and Cooperation in Europe and the negotiations on Mutual Reduction of Forces and Armaments and Associated Measures in Central Europe should contribute to this end. They agreed that the process of building European security would produce closer relations among the participants and make a positive contribution to world peace. They further agreed that the development of good neighborly relations among Balkan countries will contribute to cooperation, security, and relaxation of tensions in Europe.

Noting that international relations are in a period of intense change, the two Presidents welcomed the continuing progress toward relaxation of tensions and toward an era of negotiation rather than confrontation. They welcomed the new opportunities for increasing participation by all interested states

in the resolution, by negotiation, of controversial problems for the further improvement of international relations.

They expressed their satisfaction with the agreement concerning the reestablishment of peace in Vietnam and their hope that it will be implemented to contribute to peace and stability in Indochina.

They expressed their concern with the recent outbreak of the conflict in the Middle East and emphasized the importance they attach to current efforts to achieve a just and lasting peace. They expressed themselves in favor of the settlement of the conflict by peaceful means in the spirit and on the basis of the Security Council resolution of November 22, 1967. They stressed the need to proceed without delay to the negotiations called for by the Security Council Resolution of October 22, 1973 and to the convocation of the peace conference.

IV

The two Presidents expressed their conviction that the continued development of friendly relations between the United States of America and the Socialist Republic of Romania, based on equality, mutual respect and due consideration for their respective interests, serves the cause of international peace and cooperation.

Stressing the value of personal contacts, they reaffirmed their commitment to deepen and expand relations between the two countries by consultations at various levels as well as through normal diplomatic channels.

Washington, December 5, 1973

RICHARD NIXON	NICOLAE CEAUSESCU
President of the United States of America	*President of the Council of State of the Socialist Republic of Romania*

STATEMENT ON ECONOMIC COOPERATION, DECEMBER 5

JOINT STATEMENT ON ECONOMIC, INDUSTRIAL AND TECHNOLOGICAL COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA, DECEMBER 5, 1973

On the occasion of his official visit in the United States of America the President of the State Council of the Socialist Republic of Romania, Nicolae Ceausescu held talks with the President of the United States of America, Richard Nixon, on December 4 and 5, 1973, with regard to the development of economic relations between Romania and the United States.

Henry Kissinger, the Secretary of State, George Shultz, the Secretary of the Treasury, Frederick Dent, the Secretary of Commerce and other officials on the American side; and Manea Manescu, Vice Chairman of the Council of Ministers and Chairman of the State Planning Committee, George Macovescu, the Minister of Foreign Affairs, Vasile Pungan, Counsellor to the President and other Romanian officials also participated in discussions.

The two Presidents have emphasized the favorable development of economic relations between their two countries and they expressed their determination to promote and expand economic, industrial and technological cooperation on the basis of respect for sovereignty, independence, non-interference in domestic affairs, juridical equality, mutual advantage, and refraining from the threat or use of force.

President Nixon and President Ceausescu expressed their satisfaction with the remarkable rate of growth in United States-Romanian trade, which has increased more than fourfold since President Nixon's visit to Bucharest in 1969.

Both Presidents noted particularly the rapid growth in Romania's exports to the United States, due to the major efforts that Romania has made to promote its exports to the United States.

It was anticipated that the trade will continue to grow at the same pace or better during 1974 and the following years. The two Presidents stressed that the two countries have taken several actions to encourage and facilitate this growth in trade.

The two Presidents noted the importance of the meetings and talks to be held by President Ceausescu with American business leaders aimed at finalizing agreements and understandings and generating new interest in doing business with Romania.

The Presidents noted that, in recognition of Romania's status as a developing country, the United States Overseas Private Investment Corporation is now prepared to assist in insuring and financing United States investments in Romania.

The two Presidents noted that, since November 1971, when President Nixon determined that United States exports to Romania should be eligible for United States Export-Import Bank credits and guarantees, these credits and guarantees have effectively contributed to the expansion of trade. Private United States banks have also facilitated this expansion.

The two Presidents have noted the importance of both countries' participation in the General Agreement on Tariffs and Trade and the importance of the provisions and principles of this Agreement for their respective economic policies.

President Nixon reaffirmed his commitment to seek authority to provide most-favored-nation tariff treatment for Romania in recognition of the importance of this reciprocal principle as a factor in international relations and in the development and diversification of economic relations between the two countries.

The two Presidents further noted that Romania's

accession to the General Agreement on Tariffs and Trade and to membership in the International Monetary Fund and to the International Bank for Reconstruction and Development were positive steps in broadening its world-wide economic and financial relations, and have created favorable conditions for collaboration between representatives of both countries within the framework of these international organizations, with a view to developing their economic cooperation.

The two Presidents welcomed the conclusion on the occasion of the visit of the Agreement between the Chamber of Commerce of the United States and the Socialist Republic of Romania Chamber of Commerce on setting up the Romanian-U.S. Economic Council, the Convention with respect to Taxes on Income and Property, the Agreement relating to Civil Air Transport and the Agreement regarding Fisheries in the Western Region of the Middle Atlantic Ocean as well as specific conventions and understandings among Romanian enterprises and economic organizations and American firms with regard to economic, industrial and technological collaboration and cooperation in the fields of machine-building, electronics, chemicals and petrochemicals and other fields of mutual interest.

They also noted that discussions regarding American bondholder claims have been resumed.

In order to further the development of economic relations between the United States and Romania, the two Presidents approved the following guidelines:

1. The two Governments will facilitate, as appropriate, cooperation between interested firms, companies and economic organizations of the two countries with a view to the realization of joint projects, including joint manufacturing and marketing ventures, in the fields of industry, commerce, agriculture and natural resources, and other fields of mutual interest.

Areas of particular interest for such cooperation include machine-building, electronic and electrical industries, energy, metallurgy, mining and petroleum, chemicals and petrochemicals, light industry, foods, telecommunications, building materials, agriculture, and tourism.

2. Commercial and economic cooperation transactions will be effected on the basis of contractual arrangements between firms, companies and economic organizations of the two countries, and in accordance with the laws and regulations in force in both countries. Such contracts will generally be concluded on terms customary in international practice.

Such contracts and arrangements may encompass such matters as:

—construction of new industrial facilities, as well as the expansion and modernization of existing facilities;
—joint manufacturing and marketing by means of joint ventures or otherwise;
—licensing or patents and exchanges of economic and technical information on products, designs and technology, subject to the laws and regulations in effect in the two countries, including laws relating to transshipment and reexportation;
—training and exchange of specialists and trainees;
—establishment of banks and banking agencies in the two countries;
—joint cooperative projects in third countries.

Such contracts may provide for sharing and transfer of benefits, rights of participation in the management of the joint enterprises, procedures for dissolution of the joint enterprise, and return and repatriation of capital on mutually agreeable terms.

3. In their economic relations and in applying their policies within the framework of their laws and regulations, the two countries will take full account of the respective level of their economic development as well as the characteristics of the two economies. In this respect, it is noted that Romania, as a developing country, could be eligible for treatment accorded to developing countries.

4. Currency payments between firms, companies and economic organizations of the two countries will be made in United States dollars or any other freely convertible currency mutually agreed upon; other forms of payment may be agreed upon.

5. Except for a public purpose, assets belonging to nationals, companies and economic organizations of one of the two countries will not be expropriated by the other country, nor will they be expropriated without the payment of prompt, adequate and effective compensation.

6. To the extent permitted by the laws and international obligations of the two countries, equipment and materials imported temporarily into a country for purposes of contracts concluded between firms, companies and economic organizations of the two countries, will be exempt from customs duties, other taxes and any restrictions pertaining to importation. With a view to the development of economic cooperation, both sides will examine ways and means for the application of further customs and fiscal facilitation for goods assigned to, and resulting from cooperation projects within the provisions of customs legislation in force in the two countries.

7. Each country will provide nationals, firms, companies and economic organizations of the other country protection of inventions, trademarks and trade names in accordance with the provisions of international agreements in the field to which the two countries are parties.

8. Each country will accord firms, companies and economic organizations of the other nondiscriminatory treatment as regards payment, remittances and

transfers of funds or financial instruments, in accordance with arrangements to be worked out between the two countries.

9. Each country will facilitate the entry and travel of official representatives, experts, advisors and technicians of the other country employed in connection with commercial and economic cooperation transactions between their firms, companies and economic organizations, and of members of their immediate families.

10. Each country will facilitate participation of their nationals, companies and economic organizations in fairs and exhibitions, organized in the other country.

11. Both countries will facilitate the exchange of economic, commercial and technical information in fields of mutual interest, including information concerning trade in major agricultural commodities, among institutions, enterprises and economic organizations.

12. Both countries reaffirm their desire promptly and equitably to settle on an amicable basis commercial disputes which may arise. Commercial contracts should include provisions concerning arbitration of disputes resulting from commercial transactions.

Such understandings will stipulate that the arbitration be effected in accordance with the regulations of the International Chamber of Commerce in Paris and will designate as place for arbitration a city in a country other than the United States or Romania which is a party to the 1958 Convention on recognition and application of foreign arbitration decisions, or any other modality agreed upon in the terms of the contract.

13. With the view of broadening and supporting economic relations between the two countries, it was agreed to establish a joint Romanian-American Economic Commission which will meet annually, alternatively in Bucharest and Washington.

The Commission will consider questions and problems relating to the reciprocal establishment of business facilities to promote economic cooperation, as well as any other matters arising in the course of their economic, industrial and technological cooperation.

The Commission will also facilitate as appropriate the establishment of joint consultative groups between representatives of firms, companies and economic organizations of the two countries on matters of particular interest.

JOINT U.S.-ROMANIAN COMMUNIQUE, DECEMBER 7

At the invitation of President Richard Nixon and Mrs. Nixon, the President of the State Council of the Socialist Republic of Romania Nicolae Ceausescu and Mrs. Ceausescu paid an official visit to the United States of America, between December 4–7, 1973. They also visited Wilmington, N.C., Cleveland, Hartford, and New York.

During his stay in Washington, President Ceausescu conducted talks with President Nixon on the development of US-Romanian relations as well as a number of international issues. The talks proceeded in a cordial atmosphere of mutual esteem and respect.

Noting with deep satisfaction the fact that the relations between the United States and the Socialist Republic of Romania have been developing positively in many fields in the past years, the two Presidents concurrently expressed their interest in further expanding and diversifying US-Romanian cooperation.

With the view to deepening and further developing the relations between the United States and Romania and strengthening their contributions to the cause of peace and international security, President Nixon and President Ceausescu signed the Joint Statement of December 5, 1973 containing the principles on which the relations between their two nations are based.

The two Presidents also agreed that concrete steps would be taken in order to give a new impetus to economic cooperation. For this purpose, they adopted a Joint Statement on Economic, Industrial and Technological Cooperation.

On the occasion of the visit, the following bilateral agreements were signed: a Convention with Respect to Taxes on Income and Property, a Civil Air Transport Agreement, and an Agreement Regarding Fisheries in the Western Region of the Middle Atlantic Ocean. The U.S. Chamber of Commerce and the Romanian Chamber of Commerce and Industry, at the same time, agreed to establish a Joint US-Romanian Economic Council to consider problems of business facilitation in an effort to broaden and support economic relations between the two countries.

The two Presidents welcomed the continuing expansion of cultural and scientific relations between the two countries.

Their talks included useful and cordial exchanges of view on international issues including those relating to Europe, the Middle East, South East Asia and cooperation in the United Nations.

The two Presidents expressed satisfaction with the results of their talks and agreed to continue the bilateral dialogue both through the usual diplomatic channels and by meetings at all levels.

President and Mrs. Ceausescu expressed their cordial thanks to President and Mrs. Nixon for the friendly reception and hospitality extended to them during the visit, regarding it as an expression of the friendship and mutual esteem existing between the Romanian and American peoples.

President Ceausescu invited President and Mrs. Nixon for an official visit to Romania. The invitation was accepted with pleasure. The visit will take place at a mutually agreeable future date.

U.S. and India Initial Agreement on U.S. Holdings of Indian Rupees

Following is a statement issued by the U.S. Embassy at New Delhi on December 13.

The Government of India and the Government of the United States today initialed an agreement providing for the disposition of U.S. holdings of Indian rupees accumulated as a result of U.S. economic assistance programs to India over the last 20 years. Mr. M. G. Kaul, Secretary, Department of Economic Affairs, Ministry of Finance, initialed for the Government of India, and Ambassador Daniel P. Moynihan initialed for the United States.

Under the terms of the agreement the United States would grant 16.6 billion rupees (about $2.2 billion equivalent) to the mutually agreed-upon projects and programs during the period of India's fifth five-year plan. The United States would retain 8 billion rupees (about $1.1 billion equivalent) to finance future U.S. Government expenditures.

Before the agreement may be signed and come into effect, it must lie for review before appropriate committees of the U.S. Congress for a period of time and also be finally approved by the Government of India.

Bill of Rights Day, Human Rights Day and Week

A PROCLAMATION[1]

Among the principles undergirding our Declaration of Independence in 1776 was the fundamental conviction that all men are endowed with certain inalienable rights and that the purpose of instituting governments is to secure these rights. The first Congress acted quickly to secure the basic rights of the American people by proposing ten amendments to the Constitution of the United States. These amendments, our Bill of Rights, came into effect one hundred eighty-two years ago, on December 15, 1791, and have served ever since as guiding ideals of our democracy. Each generation of Americans has contributed in its own way to realizing the promise of the Bill of Rights, ensuring its responsiveness to the increasingly complex conditions of American society.

The continuing vitality of that promise depends upon our own steadfast dedication to the principles upon which this Republic was founded. Now, in this decade of our Bicentennial, it is especially appropriate for us to commemorate the anniversary of the adoption of the Bill of Rights and to recall with pride the efforts of our predecessors to make its ideals a true guarantee of the rights of all Americans.

It is fitting that we take note at the same time of the progress made by the world community in its recognition of the rights of all members of the human family. This week marks the twenty-fifth anniversary of the Universal Declaration of Human Rights, adopted by the United Nations General Assembly on December 10, 1948, to proclaim standards of freedom and equality common to all nations and all peoples. Though widely separated by time and authorship, the Bill of Rights and the Universal Declaration of Human Rights share a common commitment to the ideals of equality, dignity, and individual worth.

Our actions as Americans to strengthen the Bill of Rights are inseparable from our commitment to the ideals of the Universal Declaration of Human Rights. The strength and success of our efforts to advance these goals here at home will have a positive impact on the cause of human rights throughout the world.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby proclaim December 10, 1973, as Human Rights Day and December 15, 1973, as Bill of Rights Day. I call upon the people of the United States to observe the week beginning December 10, 1973, as Human Rights Week. Let us make this observance a time for reaffirming the high principles of the Bill of Rights and of the Universal Declaration of Human Rights and for making them a living reality in the daily lives of every American. For each of us, through our own example, can do a great deal to strengthen the cause of liberty and justice for all.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of December, in the year of our Lord nineteen hundred seventy-three, and of the Independence of the United States of America the one hundred ninety-eighth.

Richard Nixon

[1] No. 4256; 38 *Fed. Reg.* 34101.

U.N. Observes 25th Anniversary of Human Rights Declaration

Following is a statement made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on October 17 by Robert W. Kitchen, Jr., Deputy Permanent Representative on the Economic and Social Council, together with the text of a resolution adopted by the committee on October 19 and by the Assembly on November 2.

STATEMENT BY MR. KITCHEN

USUN press release 94 dated October 17

Twenty-five years ago when the Third Committee was meeting to prepare the draft of the Universal Declaration of Human Rights, the U.S. Government representative stated that this declaration was necessary to provide a basis for measuring performance of member states in carrying out the charter pledge to achieve respect for human rights and fundamental freedoms.

The role that constitutions and laws play in the reordering of society changes with the passage of time. Frequently the original purpose or scope may become distorted or restricted, and the reality falls far short of the aspirations of the original draftsmen and legislators. Mr. Chairman, I think it instructive on this occasion to look back 25 years to the debates that were then taking place in the Palais de Chaillot and to read what the authors of the universal declaration said about the work on which they were then engaged.

René Cassin, the delegate of France, placed the work of the committee in its historical perspective. Speaking in the great tradition of French liberalism, he said, "the Declaration of Human Rights is needed as a protest, the protest of humanity against the oppression and atrocities which so many millions have suffered throughout the ages in the past and more than ever in the 20th century during two major European wars and throughout the intervening period." Looking to the future, he said "the practical applications of basic human rights must be the sine qua non condition of true and lasting peace." He saw the declaration as a common meeting ground for different ideologies, a concept expressed here only yesterday in the constructive and thoughtful statement of Ambassador Rydbeck of Sweden.

The United Nations 25 years ago was restricted in membership, but the Third Committee was careful in its draft to produce a comprehensive document, the first to define from a truly universal standpoint basic rights and fundamental freedoms to which all men everywhere are entitled. His Excellency Carlos Romulo, now the distinguished Foreign Minister of the Philippines, knew that the declaration had implications that transcended both time and circumstances. For him and many others its enduring significance lay in the fact that the declaration projects one's vision beyond the present to goals which are desirable for all men everywhere, not only now but also in the future. "The declaration," he stated, "foreshadows certain high and noble ends which although not yet fully realized in many places in the world represent the desire for progress and unending aspiration of the human spirit."

Eleanor Roosevelt of the United States agreed and described the declaration as a common standard of achievement for all peoples of all nations. "The General Assembly," she said, "stands at the threshold of a great event both in the life of the United Nations and in the life of mankind. Behind the declaration lies man's desire for peace and this final text must be taken as a testimony

of common aspiration to lift men everywhere to a higher standard of life and greater enjoyment of freedom." Mrs. Roosevelt saw with clarity the spiritual fact that the individual man must have freedom in which to develop his full stature and that the achievement of many individuals would raise the level of human dignity. In her words, "the adoption of the declaration is indeed a great step forward but it is also a time to rededicate one's efforts to the unfinished tasks which lie ahead."

Mr. Chairman, I must refer to one other statement made during this historic debate. Then, as now, the Third Committee was guided by a representative of Lebanon, Mr. Charles Malik. After having led the Third Committee through 85 meetings of discussion in an effort to arrive at the final text, Mr. Malik was perhaps in a better position than anyone else to explain the importance of the declaration for humanity and the individual human being. He explained that for the first time the principles of human rights and fundamental freedoms were spelled out authoritatively and in precise detail. Finally, it had become clear to him what his government had pledged itself to promote, achieve, and observe when it signed the Charter of the U.N. Now as an individual he felt that with the declaration as a constant guide he could work to have his government fulfill its pledge because the declaration could serve as a potent critic of existing conditions and a catalyst to help transform reality.

In concluding his remarks Mr. Malik made a personal commitment which should continue to guide us. He said, and I quote, "What we are, therefore, launching forth tonight is a document of the first order of importance. It can never be said, from now on, that the conscience of organized, responsible humanity has left ambiguous what inherently belongs to my own humanity. If I fail to take full advantage of this responsible proclamation, it will be my fault."

Twenty-five years later the world has changed in many ways, but the importance of this document has been confirmed by intervening events and its universality is now recognized in principle although, regrettably, its provisions are not universally applied in practice.

Seventy-seven countries have joined the U.N. in the last 25 years, and no part of this world has escaped the shock waves generated by the aspirations of all for freedom and equality. With the withdrawal of the former metropolitan powers, the newly independent governments now have the responsibility for assuring the enjoyment of human rights by their own people. Many countries have adopted sections of the declaration in their constitutions. The movement to greater freedom and equality has indeed been the most characteristic social force of the last quarter century.

While the world has praised and sometimes implemented the ideals contained in the declaration, we are still too far from a world in which human rights are everywhere observed by individuals and protected by governments. Serious violations remain all too prevalent, even in countries whose governments pay fulsome tribute to the ideals of the universal declaration. It is the responsibility of the governments here assembled each to renew their dedication to the achievement of all of the goals set forth in the declaration.

The United States has historically attached the greatest importance to the maintenance and expansion of civil and political rights, but at no time more than in the past 25 years. The declaration played an important part in creating the environment that made possible the subsequent success of the civil rights struggle in my own country. I would add that the United States attaches equal importance to the achievement of the goals of economic and social rights as contained in the declaration.

In concluding, Mr. Chairman, I would like to refer to one of the many areas in which practice falls conspicuously short of the ideals of the universal declaration. Twenty-five years ago the members of this committee sought to achieve, among other goals, the elimination of racism and racial discrimination. Unfortunately, the passage of a quarter of a century has been insufficient to eliminate this deep-rooted evil from the world. It is therefore appropriate that this committee

has decided to launch the Decade to Combat Racism and Racial Discrimination on December 10, 1973, the anniversary of the Universal Declaration of Human Rights.

Twenty-five years have proved again and again the truth of René Cassin's observation —the world cannot live in peace as long as human rights are flagrantly violated. To achieve peace both within national borders and among nations, governments must not only pay lipservice to the universal declaration, they must live by its provisions.

TEXT OF RESOLUTION [1]

The General Assembly,

Recalling that in its resolution 2860 (XXVI) of 20 December 1971 it expressed its conviction of the historic significance and enduring value of the Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations and its desire to mark, in 1973, the twenty-fifth anniversary of the Declaration in a manner which would fit the occasion and serve the cause of human rights,

Also recalling that in its resolution 2906 (XXVII) of 19 October 1972, it reaffirmed its adherence to the principles, values and ideals contained in the Universal Declaration of Human Rights, and approved a programme of suitable activities which could be undertaken in observance of the twenty-fifth anniversary of the Declaration,

Recalling its resolution 2919 (XXVII) of 15 November 1972 in which it decided to launch the Decade for Action to Combat Racism and Racial Discrimination and to inaugurate the activities thereof on 10 December 1973, the twenty-fifth anniversary of the Universal Declaration of Human Rights,

Regretting that there are still many objectives of the Universal Declaration of Human Rights which have not yet been implemented and urging renewed commitment by all peoples and all nations towards achieving this end,

Having examined the progress report submitted by the Secretary-General in accordance with resolution 2906 (XXVII),

Noting with satisfaction the measures and activities undertaken or contemplated in connexion with the programme for the observance of the twenty-fifth anniversary of the Universal Declaration of Human Rights,

1. *Urges* Governments, the specialized agencies and other intergovernmental organizations, and non-governmental organizations in consultative status with the Economic and Social Council, to rededicate themselves during and after the observance of the twenty-fifth anniversary of the Universal Declaration of Human Rights to adopting further measures designed to serve the cause of human rights and the implementation of the Declaration;

2. *Invites* States which have not yet done so to ratify the international instruments concluded in the field of human rights, in particular the following:

(*a*) International Convention on the Elimination of All Forms of Racial Discrimination;

(*b*) International Covenant on Civil and Political Rights and Optional Protocol;

(*c*) International Covenant on Economic, Social and Cultural Rights;

3. *Urges* the world community to celebrate the twenty-fifth anniversary of the Universal Declaration of Human Rights in such a way as to contribute in a significant manner to the realization of the principles, values and ideals contained in the Declaration for the benefit of all mankind.

[1] U.N. doc. A/RES/3060 (XXVIII); adopted by the Assembly without objection on Nov. 2. On Dec. 10 the General Assembly held a special meeting to commemorate the 25th anniversary of the declaration, in the course of which U.N. Human Rights Prizes were awarded.

Calendar of International Conferences [1]

Scheduled January Through March

ECAFE Committee on Trade: 17th Session	Bangkok	Jan. 4–14
U.N. ECOSOC: Organizational Meetings of 56th Session	New York	Jan. 7–9
IMCO Panel of Experts on Maritime Satellites	London	Jan. 7–11
ECAFE Transport and Communications Committee	Bangkok	Jan. 8–15
OECD Executive Committee	Paris	Jan. 10–11
U.N. ECOSOC Committee for Program and Coordination	New York	Jan. 10–11
U.N. ECOSOC Commission on the Status of Women: 25th Session	New York	Jan. 14–15
UNDP Governing Council: 17th Session	New York	Jan. 14–Feb. 1
OECD Trade Committee Group on Preferences	Paris	Jan. 15–16
ECAFE Transport and Communications Committee	Bangkok	Jan. 15–22
WHO Executive Board: 53d Session	Geneva	Jan. 15–25
WIPO Committee of Experts on Legal Protection of Computer Programs.	Geneva	Jan. 15–25
FAO Intergovernmental Group on Citrus Fruits	Rome	Jan. 17–19
IMCO Subcommittee on Ship Design and Equipment: 11th Session	London	Jan. 21–25
IMCO Legal Committee: 21st Session	London	Jan. 21–25
UNESCO Conference of Ministers of the African Member States Responsible for the Application of Science and Technology.	Dakar	Jan. 21–30
ICAO Panel on Application of Space Techniques Relating to Aviation	Montreal	Jan. 21–Feb. 1
UNESCO/IBE Council	Geneva	Jan. 22–25
Inter-American Council for Education, Science and Culture	Santo Domingo	Jan. 26–Feb. 1
NATO Allied Radio Frequency Agency: 6th Joint Civil-Military Meeting.	Brussels	Jan. 28–30
OECD Working Group on Listing of Securities	Paris	Jan. 28
ECE Inland Transport Committee	Geneva	Jan. 28–Feb. 1
OECD Manpower and Social Affairs Committee	Paris	Jan. 29–Feb. 1
Inter-American Permanent Executive Committee of the Council for Education, Science and Culture: 7th Meeting.	Undetermined	January
ECAFE Committee on Industry and Natural Resources	Bangkok	Feb. 1–11
ICAO Aircraft Accident Data Reporting Panel: 2d Meeting	Montreal	Feb. 4–15
ITU/CCIR Study Groups	Geneva	Feb. 5–Mar. 20
OECD Maritime Transport Committee	Paris	Feb. 11
ICES/FAO/IOC Coordination Group for the Cooperative Investigations of the Northern Part of Eastern Central Atlantic: 3d Joint Session.	Rome	Feb. 11–15
U.N. Committee on Peaceful Uses of Outer Space Working Group on Remote Sensing of the Earth by Satellites.	New York	Feb. 11–Mar. 1
U.N. ECOSOC Commission on Narcotic Drugs	Geneva	Feb. 17–Mar. 1
IMCO Subcommittee on Safety of Fishing Vessels: 15th Session	London	Feb. 18–22
ICAO North Atlantic Ocean System Planning Group	Geneva	Feb. 18–25
WMO/ICAO Joint Financing Conference	Geneva	Feb. 18–Mar. 1
OECD Trade Committee	Paris	Feb. 19–20

[1] This schedule, which was prepared in the Office of International Conferences on December 11, lists international conferences in which the U.S. Government expects to participate officially in the period January–March 1974. Nongovernmental conferences are not included.

Following is a key to the abbreviations: CCIR, International Radio Consultative Committee; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; IBE, International Bureau of Education; ICAO, International Civil Aviation Organization; ICES, International Council for the Exploration of the Sea; ICRC, International Committee of the Red Cross; IMCO, Intergovernmental Maritime Consultative Organization; IOC, Intergovernmental Oceanographic Commission; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; OECD, Organization for Economic Cooperation and Development; UNCTAD, United Nations Conference on Trade and Development; UNDP, United Nations Development Program; UNESCO, United Nations Educational, Scientific and Cultural Organization; WHO, World Health Organization; WIPO, World Intellectual Property Organization; WMO, World Meteorological Organization.

ICRC Diplomatic Conference on Humanitarian Law Applicable in Armed Conflicts.	Geneva	Feb. 20–Mar. 29
IMCO Ad Hoc Working Group on Revision of Safety of Life at Sea: 2d Session.	London	Feb. 25–Mar. 1
UNESCO Meeting on the Implementation of the Recommendations of the Conference of Asian Ministers of Education.	Manila	February
UNESCO/IOC International Coordination Group for the Tsunami Warning System in the Pacific.	Wellington	February
UNCTAD/FAO Meeting on Tea	Rome	February
U.N. Environment Program Intergovernmental Working Group on Environmental Programs.	Nairobi	February
Inter-American Economic and Social Council: 9th Annual Meeting	Brasilia	February
IMCO Marine Environment Protection Committee: 1st Session	London	Mar. 4–8
IMCO Subcommittee on Lifesaving Appliances: 7th Session	London	Mar. 11–15
U.N. Environment Program Governing Council: 2d Session	Nairobi	Mar. 11–22
IMCO Legal Committee: 22d Session	London	Mar. 18–22
IMCO Maritime Safety Committee: 30th Session	London	Mar. 25–29
ECE Symposium on Application of Automation and Computer Techniques for Planning and Management of River Basins.	Washington	Mar. 26–Apr. 4
Economic Commission for Asia and the Far East: Plenary Session	Colombo	Mar. 27–Apr. 8
UNESCO/IOC Working Group on Training, Education and Mutual Assistance: 2d Session.	Undetermined	March
WIPO Joint Ad Hoc Committee on the International Patent Classification, Strasbourg Agreement.	Undetermined	March
OECD Oil Committee High-Level Group	Paris	March
U.N. ECOSOC Committee on Science and Technology for Development: 2d Session.	New York	March

United Nations Documents: A Selected Bibliography

Mimeographed or processed documents (such as those listed below) may be consulted at depository libraries in the United States. U.N. printed publications may be purchased from the Sales Section of the United Nations, United Nations Plaza, N.Y. 10017.

Security Council

Progress Report of the Secretary General on the United Nations Emergency Force. S/11056. October 28, 1973. 3 pp.

Report of the Secretary General on the status of the cease-fire observation operations in the Middle East. S/11057. October 29, 1973. 4 pp.

Report by the Secretary General on the United Nations operation in Cyprus, for the period June 1–December 1, 1973. S/11137. December 1, 1973. 27 pp.

General Assembly

International Law Commission. Most-favoured-nation clause. Digest of decisions of national courts relating to the most-favoured-nation clause, prepared by the Secretariat. A/CN.4/269. March 29, 1973. 93 pp.

Report of the International Law Commission on the work of its 25th session, May 7–July 13, 1973. A/9010. July 23, 1973. 198 pp.

Report of the Conference of the Committee on Disarmament on its deliberations for the period February 20–August 30, 1973. A/9141. September 7, 1973. 280 pp.

Cooperation between the United Nations and the Organization of African Unity. Report of the Secretary General. A/9162. September 26, 1973.

Respect for human rights in armed conflicts. Existing rules of international law concerning the prohibition or restriction of use of specific weapons. Survey prepared by the Secretariat. A/9215. November 7, 1973. Vol. I, 210 pp. Vol. II, 88 pp.

Letter from the Permanent Representative of Algeria transmitting documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers September 5–9, 1973. A/9330. November 22, 1973. 100 pp.

Economic and Social Council

Report of the Governing Council of the United Nations Development Program on its 16th session, June 6–29, 1973. E/5365. July 3, 1973. 82 pp.

Institutional arrangements for the implementation of special measures in favour of the least developed among the developing countries, including the need for the creation of a special fund for these countries. Note by the Secretary General. E/5416. September 14, 1973.

Population Commission:

World Population Conference, 1974. Substantive preparations for the conference. Progress report of the Secretary General of the conference. E/CN.9/281. September 24, 1973. 13 pp.

U.S. and Romania Sign Agreements on Aviation, Fisheries, and Taxes

ANNOUNCEMENT OF AVIATION AGREEMENT

The Department of State announced on December 4 (press release 436) that the United States and the Socialist Republic of Romania on that day signed at Washington a bilateral air transport agreement. Secretary Kissinger signed for the U.S. Government and George Macovescu, Minister of Foreign Affairs, signed for the Government of Romania. At the same time, formal letters were exchanged incorporating certain understandings regarding implementation of the agreement. (For texts of the agreement and the exchange of letters, see press release 436.)

The new bilateral agreement will provide the formal framework for the continuation, and possible future expansion, of Pan American World Airways operations to Bucharest and the inauguration of service to the United States by the Romanian national airline, TAROM. Pan American has been serving the Romanian capital since April 1971 on the basis of a unilateral permit issued by the Government of Romania, while TAROM plans to begin scheduled service to New York during 1974 with the new Boeing 707 aircraft it has recently purchased.

Under the new agreement, U.S. designated airlines will be authorized to serve Bucharest (and beyond Romania to points in the Near East and beyond) via various intermediate points in Europe, while Romanian designated airlines will be able to operate to New York via intermediate stops at several European points and Montreal. The letters exchanged set forth the actual commercial opportunities to be enjoyed by the airlines of both sides under the agreement. The arrangements agreed to in these letters are designed to maintain a reasonable overall balance in the bilateral exchange of benefits and to permit both sides to reevaluate this exchange after a period of operations by the airlines of the two countries.

ANNOUNCEMENT OF FISHERIES AGREEMENT

The Department of State announced on December 4 (press release 437) that the United States and the Socialist Republic of Romania on that day signed at Washington a bilateral agreement regarding fisheries in the western region of the Middle Atlantic Ocean. (For text of the agreement, see press release 437.) Secretary Kissinger signed for the U.S. Government and George Macovescu, Minister of Foreign Affairs, signed for the Government of Romania.

The new agreement emphasizes the need to conserve important fishery resources in the waters adjacent to the U.S. Atlantic coast. The organization and expansion of scientific and technical research pertaining to species of interest, the exchange of relevant scientific data, and the facilitation of joint scientific meetings are provided for.

Under the agreement, terms are established for Romanian fishing vessels to call at the ports of Baltimore, New York, and Philadelphia to replenish provisions, obtain necessary repairs, and provide for crew rest. Romanian fishing vessels are permitted to exchange their entire crews once each year in the port of New York. Within two areas of the nine-mile fishery zone contiguous to the territorial sea of the United States, Romanian fishing vessels are authorized to conduct loading operations during specified periods of the year. Additionally, the U.S. Government agreed to facilitate the establishment of a Romanian fisheries agent in the port of New York.

The Government of Romania agreed to restrict the operations of its fishing vessels in several meaningful ways so as to provide additional protection for valuable species of interest to U.S. fishermen. Romanian fishing vessels will refrain from conducting specialized fisheries for certain species, will refrain from fishing in two areas adjacent to the At-

lantic coast during extended periods of time, and will in certain other areas employ fishing gear that is incapable of catching ground fish of particular commercial interest to American fishermen. Assurances are given that Romanian fishing vessels will refrain from the intentional catching of lobster and will return all lobster caught to the sea.

ANNOUNCEMENT OF INCOME TAX TREATY

Department of the Treasury press release dated December 4

The Treasury Department announced on December 4 the signing of an income tax treaty between the United States and the Socialist Republic of Romania. The treaty was signed on that day at Washington by Secretary of the Treasury George P. Shultz and by Vice President of the Council of Ministers and President of the State Planning Committee of Romania, Manea Manescu.

The tax convention seeks to promote economic and cultural relations between the two countries by removing tax barriers to the flow of investment and individuals.

The new treaty is similar to recent U.S. tax conventions with European countries. It incorporates the same basic principles with respect to the taxation of business income, personal service income, and income from investments and similar provisions for reciprocal administrative cooperation. It also assures nondiscriminatory tax treatment. Citizens and permanent establishments of residents of one nation may not be subject to more burdensome taxation in the other nation than that nation's own nationals and businesses.

Under the new U.S.-Romania tax treaty, each country agrees to reduce its withholding taxes on interest and cultural royalties derived by residents of the other country to not more than 10 percent, except that interest paid to the other government or on loans granted by or guaranteed by a government instrumentality will be exempt from tax at the source. The maximum rate on industrial royalties will be 15 percent.

In addition, the treaty provides for a reciprocal withholding rate of not more than 10 percent on dividends. This maintains the present Romanian statutory rate, which in combination with their corporate tax on mixed corporations (now 30 percent) is within the limits of the U.S. foreign tax credit. Equipment rentals will no longer be subject to the Romanian withholding tax of 20 percent but will be subject to tax only if connected with a Romanian office (permanent establishment).

The new tax treaty also provides that performers covered by a specific cultural exchange arrangement will be exempt from tax in the host country, while other performers will be exempt from tax if they remain less than three months and earn less than $3,000.

The tax convention is subject to approval by the U.S. Senate. It would take effect as of January 1, 1974, and would remain in force for a minimum of five years. It then would continue in force indefinitely unless terminated by either nation.

Current Actions

MULTILATERAL

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.[1]

Ratification deposited: Costa Rica, December 17, 1973.

Exhibitions

Protocol revising the convention of November 22, 1928, relating to international expositions, with appendix and annex (TIAS 6548). Done at Paris November 30, 1972.[1]

Ratified by the President: December 18, 1973 (with reservation).

Meteorology

Agreement on the GARP (Global Atmospheric Research Program) Atlantic Tropical Experiment (GATE) between the World Meteorological Organization, the Government of the Republic of Senegal, and other member states of the World Meteorological Organization participating in the ex-

[1] Not in force.

periment. Done at Geneva June 27, 1973. Entered into force June 27, 1973.
Notification of acceptance: United States, November 30, 1973 (with understandings).
Entered into force for the United States: November 30, 1973.

North Atlantic Treaty—Status of Forces—Germany

Agreement to amend the agreement of August 3, 1959 (TIAS 5351), to supplement the agreement between the parties to the North Atlantic treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany. Done at Bonn October 21, 1971.
Ratification deposited: Belgium, December 19, 1973.
Enters into force: January 18, 1974.

Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 21, 1969.[1]
Acceptance deposited: Australia, November 7, 1973.

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels November 29, 1969.[1]
Ratification deposited: Spain, November 8, 1973.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968.[1]
Acceptance deposited: Switzerland, October 1, 1973.

BILATERAL

Mauritius

Agreement regarding the provision of facilities for U.S. Air Force aircraft at Plaisance Airfield in connection with the Apollo project, with agreed minute. Signed at Port Louis September 3, 1968. Entered into force September 3, 1968. TIAS 6576.
Terminated: October 29, 1973.

Mexico

Agreement extending the air transport agreement of August 15, 1960, as amended and extended (TIAS 4675, 7167). Effected by exchange of notes at México and Tlatelolco December 5, 1973. Entered into force December 5, 1973.

[1] Not in force.

PUBLICATIONS

GPO Sales Publications

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The United States and Japan: Prime Minister Tanaka's Washington Visit, July 31–August 1, 1973, and the Tokyo Meeting of the Joint U.S.–Japan Committee on Trade and Economic Affairs, July 16–17, 1973. Documentation relating to the above-mentioned meetings was reprinted from the Department of State Bulletin of August 27 and August 13, 1973, respectively. Pub. 8740. East Asian and Pacific Affairs Series 210. 23 pp. 50¢. (Cat. No. S1.38:210).

Certificates of Airworthiness for Imported Aircraft. Agreement with Belgium. TIAS 7675. 9 pp. 25¢. (Cat. No. S9.10:7675).

Reciprocal Fishing Privileges. Agreement with Canada. TIAS 7676. 11 pp. 25¢. (Cat. No. S9.10:7676).

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Sudan. TIAS 7677. 3 pp. 25¢. (Cat. No. S9.10:7677).

Defense—Electrical Substation. Agreement with the Philippines. TIAS 7680. 3 pp. 25¢. (Cat. No. S9.10:7680).

Amendment of Articles of Agreement of the International Finance Corporation. TIAS 7683. 2 pp. 25¢. (Cat. No. S9.10:7683).

Agricultural Commodities. Agreement with Thailand amending the agreement of March 17, 1972. TIAS 7685. 9 pp. 25¢. (Cat. No. S9.10:7685).

Continuance of United States Military Rights and Maritime Practices in the Bahamas. Agreement with the Bahamas. TIAS 7688. 3 pp. 25¢. (Cat. No. S9.10:7688).

Air Transport Services. Agreement with Mexico extending the agreement of August 15, 1960, as amended and extended. TIAS 7691. 3 pp. 25¢. (Cat. No. S9.10:7691).

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*457	12/18	U.S. and Haiti sign cotton textile agreement.
*458	12/19	Northwest Atlantic Fisheries Advisory Committee, Jan. 3.
*459	12/19	Advisory Committee on the Law of the Sea, Jan. 10-12.
†460	12/20	Kissinger: arrival remarks, Lisbon, Dec. 17.
†461	12/20	Joint U.S.-Portugal communique, Dec. 18.
†462	12/20	Joint U.S.-Spain communique, Dec. 19.
*463	12/20	Kissinger: message to Foreign Minister López Rodó of Spain on the death of Prime Minister Carrero Blanco.
†464	12/21	"Foreign Relations" volume on China for 1948 (for release Dec. 28).
†465	12/21	U.N. Liner Shipping Conference completes first session.
†466	12/21	Multilateral multifiber textile arrangement.
†467	12/21	Martin named U.S. coordinator for World Food Conference (rewrite).
*468	12/21	McGuire sworn in as Ambassador to Mali (biographic data).
†469	12/22	Kissinger: Middle East Peace Conference, Geneva, Dec. 21.
†470	12/22	Kissinger: arrival statement, Geneva, Dec. 20.

* Not printed.
† Held for a later issue of the BULLETIN.

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BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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January 14, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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Middle East Peace Conference Opens in Geneva

Secretary Kissinger headed the U.S. delegation to the opening of the Middle East Peace Conference in Geneva December 21–22. Following are texts of his statement made upon arrival in Geneva on December 20 and his statement before the conference on December 21.

ARRIVAL STATEMENT

Press release 470 dated December 22

I have come to Geneva today, at the behest of the President of the United States, in the cause of peace.

The fate of Arabs and Jews has been inextricably linked throughout their history, rising and falling together. In recent centuries both had been reduced to an equally cruel state—the one dispersed and persecuted throughout the world, the other deprived of autonomy and freedom in its own former empire. But over the past quarter century both have stood on the verge of overcoming their past, no longer restrained by outside forces but by their struggle with one another. Thus, in the land of Arabs and Jews, where the reality of mistrust and hate so tragically contradicts the spiritual message which originates there, it is essential for the voice of reconciliation to be heard.

The war that began last October 6, like its three predecessors, proved the futility of military solutions. There is no acceptable alternative to a negotiated settlement of the issues so long in dispute and to a determination on the part of all the parties who will assemble here tomorrow to make these negotiations succeed.

For its part, the United States comes here with that determination. President Nixon has instructed me to engage the influence and resources of the United States in a major effort to achieve a just and lasting peace in the Middle East. I shall carry out my instructions with all my heart and all my energy.

In my meetings with Arab and Israeli leaders over the course of the past 10 days I found none who wanted the war to continue, none who would not recognize that now is the time to break the cycle of uneasy truce and violent war.

Upon us and what we do here depend the lives and hopes of people, and it is to the people we shall have to answer should we fail. The Middle East, whose dramatic, tragic, and heroic peoples have produced three great faiths, is challenged today to another act of faith—that hatred can give way to reconciliation; that peace can become our purpose, compromise our method, and hope our inspiration.

STATEMENT BEFORE THE CONFERENCE

Press release 469 dated December 22

Mr. Secretary General, distinguished Foreign Ministers, delegates: As one of the co-chairmen of this conference, let me express my gratitude to the United Nations and to you personally for providing such excellent facilities for the conference, for convening it, and for doing us all the honor of presiding at this historic moment.

We are convened here at a moment of historic opportunity for the cause of peace in the Middle East and for the cause of peace in the world. For the first time in a generation the peoples of the Middle East are sitting together to turn their talents to the challenge of a lasting peace.

All of us must have the wisdom to grasp

this moment—to break the shackles of the past and to create at last a new hope for the future.

Two months ago what we now refer to as the fourth Arab-Israeli war was coming to an end. Today there is the respite of an imperfect cease-fire, but the shadow of war still hangs over the Middle East. Either we begin today the process of correcting the conditions which produced that conflict, or we doom untold tens of thousands to travail, sorrow, and further inconclusive bloodshed.

When the history of our era is written, it will speak not of a series of Arab-Israeli wars but of one war broken by periods of uneasy armistices and temporary cease-fires. That war has already lasted 25 years. Whether future histories will call this the era of the 25-year Arab-Israeli war, or the 30-year war, or the 50-year war, rests in large measure in our hands. And above all, it rests in the hands of the Israeli and Arab governments, not only those whose distinguished representatives are seated around this table but also those who are absent and who we all hope will join us soon.

We are challenged by emotions so deeply felt—by causes so passionately believed and pursued—that the tragic march from cataclysm to cataclysm, each more costly and indecisive than the last, sometimes seems preordained. Yet our presence here today, in itself a momentous accomplishment, is a symbol of rejection of this fatalistic view. Respect for the forces of history does not mean blind submission to those forces.

There is an Arab saying, *Elli Fat Mat*, which means that the past is dead. Let us resolve here today that we will overcome the legacy of hatred and suffering. Let us overcome old myths with new hope. Let us make the Middle East worthy of the messages of hope and reconciliation that have been carried forward from its stark soil by three great religions.

Today there is hope for the future, for the conflict is no longer looked upon entirely in terms of irreconcilable absolutes. The passionate ideologies of the past have, in part at least, been replaced by a recognition that all the peoples concerned have earned, by their sacrifice, a long period of peace.

From two recent trips through the Middle East I have the impression that people on both sides have had enough of bloodshed. No further proof of heroism is necessary; no military point remains to be made. The Middle East—so often the source of mankind's inspiration—is challenged to another act of hope and reconciliation, significant not only for its own peoples but for all mankind.

What does each side seek? Both answer with a single word: peace. But peace has of course a concrete meaning for each. One side seeks the recovery of sovereignty and the redress of grievances suffered by a displaced people. The other seeks security and recognition of its legitimacy as a nation. The common goal of peace must surely be broad enough to embrace all these aspirations.

For the United States, our objective is such a peace.

I cannot promise success, but I can promise dedication. I cannot guarantee a smooth journey toward our goal. I can assure you of an unswerving quest for justice.

The United States will make a determined and unflagging effort.

President Nixon has sent me here because for five years he has endeavored to build a new structure of international peace in which ties with old friends are strengthened and new and constructive relationships replace distrust and confrontation with adversaries.

But world peace remains tenuous and incomplete so long as the Middle East is in perpetual crisis. Its turmoil is a threat to the hopes of all of us in this room.

It is time to end it.

The question is not whether there must be peace. The question is: How do we achieve it? What can we do here to launch new beginnings?

First, this conference must speak with a clear and unequivocal voice: The cease-fire called for by the Security Council must be scrupulously adhered to by all concerned. Prior to last October, the United States did all it could to prevent a new outbreak of

fighting. But we failed because frustration could no longer be contained.

After the fighting began, we, in concert with the Soviet Union, helped bring an end to the hostilities by sponsoring a number of resolutions in the Security Council. The six-point agreement of November 11 consolidated the cease-fire. It helped create the minimal conditions necessary for carrying forward our efforts here. All these resolutions and agreements must be strictly implemented.

But regardless of these steps, we recognize that the cease-fire remains fragile and tentative. The United States is concerned over the evidence of increased military preparedness in recent days. A renewal of hostilities would be both foolhardy and dangerous. We urge all concerned to refrain from the use of force and to give our efforts here the chance they deserve.

Second, we must understand what can realistically be accomplished at any given moment.

The separation of military forces is certainly the most immediate problem. Disengagement of military forces would help to reduce the danger of a new military outbreak; it would begin the process of building confidence between the two sides.

Based on intensive consultations with the leaders of the Middle East, including many in this room today, I believe that the first work of this conference should be to achieve early agreement on the separation of military forces and that such an agreement is possible.

Serious discussions have already taken place between the military representatives of Egypt and Israel at kilometer 101. It is important to build promptly on the progress achieved there. And on the Jordanian and Syrian fronts, a comparable base for the lessening of tensions and the negotiation of further steps toward peace must be found. Progress toward peace should include all the parties concerned.

Third, the disengagement of forces is an essential first step—a consolidation of the cease-fire and a bridge to the "peaceful and accepted settlement" called for in Security Council Resolution 242. Our final objective is the implementation in all its parts of Resolution 242. This goal has the full support of the United States.

Peace must bring a new relationship among the nations of the Middle East—a relationship that will not only put an end to the state of war which has persisted for the last quarter of a century but will also permit the peoples of the Middle East to live together in harmony and safety. It must replace the reality of mistrust with a new reality of promise and hope. It must include concrete measures that make war less likely.

A peace agreement must include these elements, among others: withdrawals, recognized frontiers, security arrangements, guarantees, a settlement of the legitimate interests of the Palestinians, and a recognition that Jerusalem contains places considered holy by three great religions.

Peace will require that we relate the imperative of withdrawals to the necessities of security, the requirement of guarantees to the sovereignty of the parties, the hopes of the displaced to the realities now existing.

Fourth, we believe there must be realistic negotiations between the parties. Resolution 338 provides just such a process. It is on the parties that the primary responsibility rests. The United States intends to help facilitate these talks in every feasible way, to encourage moderation and the spirit of accommodation. We are prepared to make concrete suggestions to either side if this will help promote practical progress. But we must always remember that while a Middle East settlement is in the interest of us all, it is the people of the area that must live with the results. It must, in the final analysis, be acceptable to them.

Peace, in short, cannot last unless it rests on the consent of the parties concerned. The wisest of realists are those who understand the power of a moral consensus. There is a measure of safety in power to prevent aggression, but there is greater security still in arrangements considered so just that no one wishes to overthrow them.

As we open this conference we take a momentous step. We are challenging a history of missed opportunities, of mutual fear and bottomless distrust. Our backdrop is a war that has brought anguish and pain, death and destruction; a war that has been costly to both sides; that has brought neither victory nor defeat; that reflected the failure of all our past efforts at peaceful solutions.

Mr. Secretary General, fellow delegates, President Nixon has sent me here with the purpose of affirming America's commitment to a just and lasting peace.

We do not embark on this task with false expectations. We do not pretend that there are easy answers. A problem that has defied solution for a generation does not yield to simple remedies.

In all efforts for peace the overriding problem is to relate the sense of individual justice to the common good. The great tragedies of history occur not when right confronts wrong, but when two rights face each other.

The problems of the Middle East today have such a character. There is justice on all sides, but there is a greater justice still in finding a truth which merges all aspirations in the realization of a common humanity. It was a Jewish sage who, speaking for all mankind, expressed this problem well: "If I am not for myself who is for me, but if I am for myself alone who am I?"

Fellow delegates, in the months ahead we will examine many problems. We will discuss many expedients. We will know success—and I daresay we shall experience deadlock and despair.

But let us always keep in mind our final goal:

We can exhaust ourselves in maneuvers, or we can remember that this is the first real chance for peace the Middle East has had in three decades.

We can concentrate on our resentments, or we can be motivated by the consciousness that this opportunity, once past, will not return.

We can emphasize the very real causes of distrust, or we can remember that if we succeed our children will thank us for what they have been spared.

We can make propaganda, or we can try to make progress.

The American attitude is clear. We know we are starting on a journey whose outcome is uncertain and whose progress will be painful. We are conscious that we need wisdom and patience and good will. But we know, too, that the agony of three decades must be overcome and that somehow we have to muster the insight and courage to put an end to the conflict between peoples who have so often ennobled mankind.

So we are here to spare no effort in the quest of a lasting peace in the Middle East, a task which is as worthy as it may be agonizing. In the words of the poet:

> "Pain that cannot forget
> falls drop by drop
> upon the heart
> until in our despair
> there comes wisdom
> through the awful
> grace of God."

Secretary Kissinger Visits Middle East and Europe

Prior to the opening of the Middle East Peace Conference in Geneva, Secretary Kissinger visited Algeria, Egypt, Syria, Jordan, Lebanon, Israel, Portugal, Spain, and France. In Paris he met with Le Duc Tho, member of the Politburo of the Democratic Republic of Viet-Nam. Following are statements made by Secretary Kissinger during the trip and the texts of communiques issued at the conclusion of his visits to Portugal and Spain.

ARRIVAL, ALGIERS, DECEMBER 13

Press release 454 dated December 13

I am very happy to begin my voyage to the Middle East in Algeria. President Nixon and I have had very useful talks with Minister of Foreign Affairs Abdelaziz Bouteflika when he was recently in Washington. During a difficult period, your Minister spoke to us with much passion, realism, and conviction. President Nixon told your Minister that after the war we will deploy all our efforts to bring peace—a peace founded on justice, particularly on the application of U.N. Security Council Resolution 242.

I am here in Algiers to work toward the realization of that promise. I expect a great deal from my conversations with President Boumediene, for whom we have much admiration and who we hope will visit us someday in the United States.

If my stay is short, my conversations will be open and sincere.

DEPARTURE, TEL AVIV, DECEMBER 17

Press release 456 dated December 17

Our meetings were as conversation among friends. The talks were very warm, very full, very useful, and very constructive. We reached complete agreement about the procedures, the terms of reference, of the opening of the conference. We've been informed that if the other parties attend, Israel will send a delegation to Geneva. We also agreed that the opening phase of the conference should deal with the problems of the separation of forces. We had a very full, very useful discussion about the problems and issues and principles involved in that topic.

It goes without saying that the United States will maintain the closest contact with the Government of Israel throughout the negotiations, and I look forward personally to seeing my friend the Foreign Minister at the end of this week in Geneva. It remains for me only to thank the Government of Israel, especially the Prime Minister, the Foreign Minister, and all their colleagues, for the extraordinary courtesy that has been extended to us, for the very useful talks that we've had.

ARRIVAL, LISBON, DECEMBER 17

Press release 460 dated December 20

The Foreign Minister, ladies and gentlemen: It is a great pleasure for me to visit Portugal for the first time. The Foreign Minister spoke correctly about the long ties of friendship and the recent history of alliance between our two countries, and he was right also when he said that Portugal has been a good and reliable friend of the United States. On this trip through the Middle East, I was reminded of the fact that Portugal stood by its allies during the recent difficulties, and the United States is extremely grateful for that. When visiting this country, which is known for its navigators who explored the world with an act of both physical and moral courage, I would like to say that as far as the United States is concerned, our journey together is not finished.

I bring greetings from the President to the leaders of Portugal. I look forward to

full and frank and friendly talks, and I know that we will leave as even better friends than we are today.

Thank you very much.

JOINT U.S.-PORTUGAL COMMUNIQUE

Press release 461 dated December 20

1. The Secretary of State of the United States of America, Dr. Henry Kissinger, made an official visit to Lisbon on December 17 and 18 at the invitation of the Portuguese Government.

2. In the course of his visit he was received by the President of the Republic and had talks with the Prime Minister. In various meetings held at the Foreign Ministry, Dr. Henry Kissinger and the Foreign Minister, Dr. Rui Patricio, had the opportunity to review the more important problems of the current international situation. There was a full discussion of bilateral United States-Portuguese relationships.

3. The talks took place in a markedly friendly atmosphere and produced a frank exchange of views. There was a large area of agreement with respect to the problems of concern to the two countries.

4. Dr. Kissinger, on behalf of all his associates, expressed warm appreciation for the cordiality and hospitality with which he was received.

JOINT U.S.-SPAIN COMMUNIQUE

Press release 462 dated December 20

1. The Secretary of State of the United States of America, Dr. Henry A. Kissinger, made an official visit to Spain on December 18 and 19, at the invitation of the Spanish Minister of Foreign Affairs, Don Laureano López Rodó.

2. During his stay in Madrid, he was received by His Excellency the Head of State and by His Royal Highness the Prince of Spain. He also held conversations with the President of the Government, Admiral Carrero Blanco, and with the Minister of Foreign Affairs, Señor López Rodó. In the Palace of Santa Cruz, the seat of the Ministry of Foreign Affairs, two working meetings were held, in which the following subjects were examined with special care:

a. The present state of Atlantic relations.
b. The conflict in the Middle East.
c. The situation in the Mediterranean.
d. The existing energy situation.
e. Matters relating to the Agreement of Friendship and Cooperation between Spain and the U.S. of 6 August 1970.

3. Secretary Kissinger was entertained by his Spanish colleague at a dinner in the Palace of Viana, and the Secretary hosted a working luncheon in the United States Embassy on December 19.

4. The talks took place in an atmosphere of the greatest cordiality and understanding. Agreement was reached in principle to develop a joint U.S.-Spanish declaration of principles. Both parties agreed that Spain is essential for the security of the West and for the maintenance of peace. They agreed as well that Spain must participate on a basis of equality with the other countries of the Atlantic area in the establishment of a just and stable international order.

5. The Governments of both countries declare their intention to continue these close contacts at a high level for the purpose of strengthening U.S.-Spanish friendship, promoting the resolution of problems of common interest, and contributing to world peace.

6. The Secretary of State expressed his gratitude for the warm hospitality shown him by the Government of Spain.

7. The Secretary of State invited Foreign Minister López Rodó to visit the United States at a mutually convenient time, and this invitation was accepted with pleasure.

U.S. Welcomes Release of American Civilian Prisoner in Viet-Nam

Department Statement [1]

We are delighted to confirm that Homer L. Elm, the American citizen civilian captured on October 6 in Ba Xuyen Province, South Viet-Nam, was released today near Vi Thanh, which is near Can Tho, the capital of the delta. He was brought to Can Tho by an ICCS [International Commission of Control and Supervision] helicopter. Two Vietnamese employees captured with Mr. Elm were released with him, and all three appeared to be in reasonable physical condition.

Needless to say, we are glad Mr. Elm and those captured with him have been released, and we reaffirm hope that the other American civilian known to be held in Indochina, Mr. Emmet Kay, a pilot for Continental Air Services, Inc., who was captured in northern Laos on May 7, 1973, will also be released soon.

[1] Read to news correspondents on Dec. 19 by Paul Hare, Deputy Director, Office of Press Relations.

U.S. Deplores Terrorist Attack and Hijacking at Rome Airport

On December 17 Arab terrorists attacked a Pan American World Airways plane at Leonardo da Vinci International Airport near Rome, killing 30 persons; the terrorists then hijacked a Lufthansa German Airlines plane, forcing it to fly to Athens, where a hostage was slain. On December 18 the plane flew to Damascus and then to Kuwait, where the remaining hostages were released and the hijackers surrendered. Following are texts of a statement read to news correspondents on December 17 by Paul Hare, Deputy Director, Office of Press Relations, and a statement by President Nixon issued on December 18.

DEPARTMENT STATEMENT

We deeply regret the loss of American and other lives at the hand of terrorists who assaulted innocent bystanders at Rome airport today.

We are in touch with the Italian Government regarding this vicious attack and will continue to work closely with the Italians following up on this incident.

We are also maintaining contact with other governments involved in the incident, which involves hostages of unconfirmed nationality.

This new outrage underlines the urgent necessity to strengthen civil aviation security measures throughout the world. The U.S. Government deplores incidents such as this at any time, and particularly at a time when a peaceful settlement of the Middle East question—a factor apparently in the minds of the terrorists—is being sought by many peace-loving governments and individuals.

STATEMENT BY PRESIDENT NIXON

White House press release dated November 18

The Government and people of the United States are appalled by the tragedy which began yesterday with the heavy loss of innocent lives at the Rome airport, a tragedy which is not yet ended. Our deep regrets and condolences go to the families of the victims of all nationalities.

This new outrage only underlines the urgent necessity to accelerate improvements in international civil aviation security measures and to find international agreement on prosecution of offenders such as those who committed this vicious crime. Terrorists must be made to understand that senseless violence against innocent bystanders, including helpless women and children in this instance, will not be tolerated by people and governments who wish to live in peace and within the law. Governments must resist terrorists' demands since appeasement will not put an end to this international scourge. The U.S. Government will continue to provide leadership and all possible assistance in this humanitarian endeavor.

The U.S. Government deplores incidents such as this at any time and particularly when a peaceful settlement of the Middle East question is being sought by many peace-loving governments and individuals. The perpetrators of such atrocities can only delay the day when peace and justice may return to the Middle East.

United Nations Environment Program Participation Act of 1973

Statement by President Nixon [1]

I am pleased to have signed into law a bill authorizing a $40 million voluntary contribution by the United States to the United Nations Environment Fund over the next five years. As I first proposed such a contribution early last year and it has since been supported by both Democrats and Republicans, this bill reflects broad agreement on the need for international action to halt the continuing degradation of the global environment.

The indiscriminate depletion of natural re-

[1] Issued on Dec. 17 (White House press release). As enacted, the bill (H.R. 6768) is Public Law 93–188, approved Dec. 15.

sources, the pollution of our environment, and the problems of sustaining the quality of life in urbanizing societies throughout the world require that we act as a community of nations. The United Nations Environment Fund, established by the United Nations General Assembly, will be used to coordinate and to fill gaps in existing international activities concerned with improving the world environment. A good beginning has already been made. Since the United Nations Conference on the Human Environment took place in 1972, the United States has been most active in developing this new environmental program and drafting several international treaties concerning the conservation of the natural and cultural heritage of mankind, protection of endangered species of plants and animals, and prevention of the contamination of the oceans from shipping and offshore disposal of wastes.

But we need to do much more. We need additional knowledge about what the serious global problems are and how to cope with them; we need to monitor conditions and trends of pollutants in the oceans, in the atmosphere, and in terrestrial environments; and we need to manage our natural resources more effectively. These are the kinds of activities that will be supported by the United Nations Environment Fund.

We hold the earth—its environment and its resources—in trust for future generations. We must not violate that trust, nor our obligation to the future, by permitting the increasing degradation of the environment. I call upon all nations to support the United Nations Environment Program and to work cooperatively to conserve and enhance the world environment so that others may enjoy and benefit from it as we have.

U.S.-Yugoslav Board on Scientific Cooperation Meets at Washington

Joint Statement [1]

The U.S.-Yugoslav Joint Board on Scientific and Technological Cooperation met in Washington on December 10–14, 1973.

The Board reviewed 156 projects in the fields of agriculture, energy, ecology, technology, health, transportation, and others and agreed to finance a large number of them from the U.S.-Yugoslav Joint Fund established in accordance with the agreement of May 18, 1973. The Board noted that the U.S.-Yugoslav program had contributed substantially to the advancement of scientific and technological research in such fields as agriculture and the health sciences.

The United States was represented by Dr. Oswald H. Ganley, Director, Soviet and Eastern European Scientific and Technical Programs Directorate, Bureau of International Scientific and Technological Affairs, Department of State; Mr. David B. Bolen, Counselor for Economic/Commercial Affairs, American Embassy, Belgrade and Mr. William H. Mills, Scientific Attache, American Embassy, Belgrade.

Yugoslavia was represented by Dr. Edo Pirkmajer, the Chairman of the Board and President of the Commission for International Relations of the Inter-Republic Committee for Coordination of Scientific and Technical Affairs, and Mr. Milos Rajacic, Scientific Counselor, Embassy of Yugoslavia, Washington, D.C.

The Board agreed that its next meeting would take place in Belgrade next May.

[1] Issued on Dec. 14 (press release 455).

General Assembly Adopts Resolution on Financing U.N. Emergency Force in the Middle East

Following are statements by Congressman John H. Buchanan, Jr., U.S. Representative to the U.N. General Assembly, made in Committee V (Administrative and Budgetary) of the Assembly on November 21 and 23, together with the text of a resolution adopted by the committee on November 23 and by the Assembly on December 11.

STATEMENTS BY CONGRESSMAN BUCHANAN

Statement of November 21

USUN press release 114 dated November 21

The question which we are now considering, agenda item 109, is one of the most important issues before this committee at its current session. Late last month the Security Council adopted a number of resolutions to restore peace in the Middle East, among them being two which called for the establishment and operationalization of the U.N. Emergency Force.[1] These resolutions marked the expeditious response of the Council to an urgent situation. Cosponsored by Guinea, India, Indonesia, Kenya, Panama, Peru, Sudan, and Yugoslavia, Resolution 340 (1973) established what has become known as UNEF; and it is operating under the authority of the Council itself. That resolution inter alia requested the Secretary General to "report within 24 hours" on steps taken to implement the resolution and requested "all Member States to extend their full co-operation to the United Nations in the implementation of the present resolution."

In subsequently approving the report of the Secretary General (S/11052/Rev. 1), the Security Council, in Resolution 341 (1973), concurred fully in the Secretary General's proposal to establish the Force "for an initial period of six months"; it also agreed that in financing UNEF the "costs of the Force shall be considered as expenses of the Organization to be borne by the Members in accordance with Article 17, paragraph 2, of the Charter." Shortly thereafter the Secretary General submitted his report on financing the Force (A/9285), in which he provided detailed cost estimates totaling $30 million for a Force of "7,000, all ranks" for a six-month period (October 25, 1973–April 24, 1974). The Secretary General requested the General Assembly to authorize him to "enter into commitments for this Force at a rate not to exceed $5.0 million per month for the period 25 April 1974 to 31 October 1974 inclusive, should it be necessary to continue the Force beyond the initial period of six months."

My delegation believes that the task of this committee is to deal only with the financial aspects of the U.N. Emergency Force. It is not the responsibility of the Fifth Committee—nor is it within the competence of this committee—to consider other matters which have been introduced, directly or indirectly, by some delegations, either during their participation in the committee's debate or by certain amendments to the 35-power draft resolution contained in A/C.5/1130/Rev. 1. We must be guided by the Security Council, which has exercised its primary responsibil-

[1] For U.S. statements and texts of the resolutions and the report of the Secretary General (S/11052/Rev. 1), see BULLETIN of Nov. 12, 1973, p. 598.

ity for the maintenance of peace, and do our best to apportion the costs of the Emergency Force. We should not be distracted by considerations extraneous to the financial considerations. We must support the Council's action in establishing the Force. To do otherwise is likely to embroil this committee in an extensive debate which would ill serve the organization, the member states which we represent, and most importantly, the cause of peace in the Middle East, to which we are all dedicated.

Mr. Chairman, my delegation would like to take this opportunity to commend the Security Council for the swiftness with which it acted in response to a threat to "international peace and security." We would also like to commend the Secretary General, who has moved rapidly to implement the various resolutions of that body. Similarly, we would like to express our appreciation to the ACABQ [Advisory Committee on Administrative and Budgetary Questions] for the dispatch with which it has dealt with the Secretary General's report on financing UNEF. It is important, if we are to contribute further to the cause of peace in the Middle East, that this committee continue the momentum which already has been generated. In saying this, my delegation recognizes the added burden which has been placed on the Fifth Committee; our primary objective nevertheless is to facilitate an early decision by this committee on the important question now before us.

Regarding the Secretary General's cost estimates contained in annex I to A/9285, my delegation fully concurs in the recommendations of the ACABQ as contained in its report, document A/9314. We note in particular the conclusion of the Advisory Committee that a "special account" should be established for UNEF, the desirability of inviting voluntary contributions, and the need for early payment of assessments once the method of financing and the cost estimates have been agreed upon. The estimates submitted by the Secretary General, based on facts now known, are the minimum amount required to operate the Force; any efforts to reduce these estimates would be an act of parsimony which could seriously jeopardize the cause of peace.

My delegation listened with great interest to the very provocative, balanced, and informative statement by the distinguished Representative of Brazil, Ambassador [David Silveiro] Da Mota, when he introduced the draft resolution contained in A/C.5/L.1130/Rev. 1 on behalf of 34 other delegations. My delegation would like to recall for members of this committee a point made yesterday by the Representative of Australia. He said, and I quote:

> Just as Security Council Resolutions 340 and 341 were achieved only after a process of lengthy consultations, taking into account all the views expressed, so too was the draft resolution introduced . . . by Brazil arrived at only after long and arduous deliberation. It was the result of lengthy and often difficult consultations, during which all parties had the opportunity to express their views. And it was drafted only after the co-sponsors were satisfied that it was as close to a consensus as could be achieved.

The hope of my delegation is that we will be able collectively to reach a consensus on the draft resolution now before us. The U.S. delegation fully supports that draft resolution.

Mr. Chairman, my government would have preferred that the Force be financed under the regular scale of assessments. That scale is in itself a compromise solution to the varying points of view held by the total membership of this organization. However, in a spirit of compromise, my delegation at an early date recognized that this approach to financing the Force would not be widely acceptable. Furthermore, we understand that the permanent members of the Security Council, who have special responsibilities under the charter for the maintenance of international peace and security, are asked to accept a financial burden greater than that imposed under the regular scale of assessments.

We concluded therefore that the 35-power draft resolution, while it did not take cognizance of all of my own government's views, did incorporate certain principles which have been operative at one time or another in

maintaining similar operations such as UNEF. Foremost among these is that of collective responsibility of all members. The 35-power draft resolution is founded on this concept. This point was made explicit by Ambassador Da Mota when he introduced the draft resolution. As I mentioned a moment ago, my delegation is prepared to support this draft resolution in a spirit of compromise and in light of the particular ad hoc nature of the operation it is designed to finance. It is, in a sense, a "compromise of a compromise."

The balance of the draft resolution is extremely delicate. In the final analysis, it is not a fully "objective scale" for apportioning UNEF costs and based solely on national income data; rather, it is a "peace and security" scale designed to meet a particular need. The draft establishes an approach on the basis of which my government will be able to continue its longstanding support of the United Nations in the field of peacekeeping.

Turning to the various amendments which have been proposed, my delegation would be remiss if it did not express serious concern that these amendments, if adopted, would threaten to destroy the delicate balance found in the draft resolution before us and thus call into question its acceptability to many members. If this committee cannot find it possible to adopt a resolution which incorporates the concept of collective responsibility for all in an acceptable manner, the future role of the United Nations in establishing and maintaining a peacekeeping force such as UNEF could be undermined and prejudiced. In the final analysis, perhaps what all delegations face here—and a point on which they should reflect—is whether or not the United Nations as an organization of member states can, when the need arises and its members are called on to act collectively, rise above the injection of divergent and distracting political arguments to reach an agreement which will preserve this organization's role not only in the current UNEF operation but in future peacekeeping operations as well.

Mr. Chairman, we have heard various rationales put forward by a number of delegations to justify the nonacceptability of collective responsibility of all members in financing UNEF. Under the 35-power draft resolution, it appears to my delegation that the various principles incorporated in previous General Assembly resolutions on UNEF and ONUC [United Nations Operation in the Congo], as well as those dealing with certain principles regarding peacekeeping forces in general, have been adhered to. In particular, the five principles incorporated in Resolution 1874 (S–IV) have been taken into account in the draft resolution before us.[2] Alleged inability to help finance the Force cannot be a justifiable basis for rejecting the concept of collective responsibility since, in fact, a great number of member states will be required to contribute only a few thousand dollars. Special consideration already has been given to all developing member states, including those which would be permitted to opt out of the assessment scale if the amendment cosponsored by Cuba and Yemen (A/C.5/L.1135) was to be adopted. That amendment raises issues which are not germane to the obligation of this committee to determine the means of financing decisions taken by the Security Council. It clearly is not for the Fifth Committee to make political judgments which the Council itself did not make. My delegation is strongly opposed to this amendment. We are also opposed to the amendment submitted by the Soviet Union in document A/C.5/L.1137, which would, in effect, reject the compromise which has been worked out so carefully by the 35 cosponsors of the draft resolution contained in A/C.5/L.1130/Rev.1. We also would have difficulties with any other amendments in view of the delicate balance of the draft resolution.

My delegation would like, sir, to express its deep appreciation to the cosponsors who have worked so diligently to put before this committee a draft resolution which is balanced, takes into account previous decisions of the General Assembly, and accommodates the basic interests of all member states. It is a

[2] For text of General Assembly Resolution 1874 (S–IV), see BULLETIN of July 29, 1963, p. 182.

fair resolution, and one which should receive the support of a great majority of the member states represented in this committee. Any efforts to alter this resolution will ill serve the interests of the United Nations. We believe that this committee must act with all dispatch in order that an apportionment scale for the Force may be agreed upon by the General Assembly and funds so badly needed by the Secretary General to maintain the Force will be forthcoming.

In concluding my statement, I would like, with your permission, Mr. Chairman, to make a few final points. Those of us in this room must act for peace. We must support the decisions of the Security Council. We must enable the Secretary General to execute his responsibilities. The expeditious adoption of the 35-power draft resolution is the means to these ends. Any other action throws into question all that has been accomplished and the feasibility of international cooperation for peace and security. A brave beginning has been made. It must not be destroyed here and now because of particularistic desires or efforts to settle political disputes instead of providing financial support to the Emergency Force.

Statement of November 23

USUN press release 116 dated November 23

We believe the United Nations has distinguished itself today by demonstrating that international cooperation for peace can unite us. Special commendation, of course, goes to the cosponsors, who worked so hard and consulted so broadly in the development of the compromise package which will provide the financial support to the Secretary General to enable him to execute the decisions of the Security Council.

As many of you know, I speak not only as a member of our delegation but as a member of the U.S. Congress as well. In this connection I note that of course our support for this resolution will require action by the U.S. Congress, which controls the purse strings of our nation. I pledge to you that I will carry the message to the U.S. Congress that this great world organization has today responded in a manner consistent with its purposes and principles and the high hopes of the drafters of the charter in adopting this resolution. I am confident my colleagues in the Congress will share my view that we have today taken a step toward peace which merits the fullest support of all states in the world.

Mr. Chairman, in the Congress, it is my privilege to serve as ranking Republican on the Near East and South Asia Subcommittee of the House Foreign Affairs Committee, and in that capacity, and on behalf of my delegation here at the United Nations, I would like to express particular appreciation for the high statesmanship that has been shown here by the distinguished Representative of Iran, the distinguished vice chairman of this committee, and his delegation; the distinguished Ambassador of Yemen and his delegation; by the distinguished Ambassador of Egypt and his delegation; and by the distinguished Representative of Jordan and that delegation for the strategic role they played in agreeing to the withdrawal of an amendment which was divisive and gave problems to many delegations and in support for the compromise 35-power resolution just passed by this committee. Mr. Chairman, this is in the highest tradition of statesmanship and we appreciate it.

I would also like to express the appreciation of my delegation to the distinguished Ambassador of the Union of Soviet Socialist Republics and the others who have withdrawn amendments and to the Group of 77 and the role they have played here.

Finally, Mr. Chairman, I would be remiss if I did not express for my delegation our profound appreciation for the courage and the wisdom with which the distinguished chairman of this committee has guided us through the treacherous shoals toward the fulfillment of our assigned responsibility in this important matter.

TEXT OF RESOLUTION [3]

The General Assembly,

Having considered the report of the Secretary-General on the cost estimates of the United Nations Emergency Force established pursuant to Security Council resolution 340 (1973) of 25 October 1973 for the period from 25 October 1973 to 24 April 1974 and the report of the Advisory Committee on Administrative and Budgetary Questions thereon,

Reaffirming its previous decisions regarding the fact that, in order to meet the expenditures caused by such operations, a different procedure is required from that applied to meet expenditures of the regular budget of the United Nations,

Taking into account the fact that the economically more developed countries are in a position to make relatively larger contributions and that the economically less developed countries have a relatively limited capacity to contribute towards peace-keeping operations involving heavy expenditures,

Also bearing in mind the special responsibilities of the States permanent members of the Security Council in the financing of such operations, as indicated in resolution 1874 (S-IV) of 27 June 1963 and other resolutions of the General Assembly,

1. *Decides* to appropriate an amount of $30 million for the operation of the United Nations Emergency Force from 25 October 1973 to 24 April 1974 inclusive and requests the Secretary-General to establish a special account for the Force;

2. *Decides*, as an *ad hoc* arrangement, without prejudice to the positions of principle that may be taken by Member States in any consideration by the General Assembly of arrangements for the financing of peace-keeping operations

(*a*) To apportion an amount of $18,945,000 for the above-mentioned six-month period among the States permanent members of the Security Council in the proportions determined by the scale of assessments for 1974–1976;

(*b*) To apportion an amount of $10,434,000 for the above-mentioned six-month period among the economically developed Member States which are not permanent members of the Security Council in the proportions determined by the scale of assessments for 1974–1976;

(*c*) To apportion an amount of $606,000 for the above-mentioned six-month period among the economically less developed Member States in the proportions determined by the scale of assessments for 1974–1976;

(*d*) To apportion an amount of $15,000 for the above-mentioned six-month period to the following countries among the economically less developed Member States in the proportions determined by the scale of assessments for 1974–1976: Afghanistan, Bhutan, Botswana, Burundi, Chad, Dahomey, Democratic Yemen, Ethiopia, Guinea, Haiti, Laos, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Senegal, Somalia, Sudan, Uganda, United Republic of Tanzania, Upper Volta and Yemen;

3. *Decides* that, for the purpose of the present resolution, the term "economically less developed Member States" in paragraph 2(*c*) above shall mean all Member States except Australia, Austria, Belgium, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, the German Democratic Republic, Germany (Federal Republic of), Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, South Africa, Sweden, the Ukrainian Soviet Socialist Republic and the Member States referred to in paragraphs 2(*a*) and (*d*) above;

4. *Authorizes* the Secretary-General to enter into commitments for the United Nations Emergency Force at a rate not to exceed $5 million per month for the period from 25 April to 31 October 1974 inclusive, should the Security Council decide to continue the Force beyond the initial period of six months, the said amount to be apportioned among Member States in accordance with the scheme set out in the present resolution;

5. *Invites* voluntary contributions to the United Nations Emergency Force both in cash and in the form of services and supplies acceptable to the Secretary-General,

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[3] U.N. doc. A/RES/3101 (XXVIII) (A/C.5/1130/Rev. 1); adopted by the Assembly on Dec. 11 by a recorded vote of 108 (U.S.) to 3, with 1 abstention.

U.N. Peacekeeping Operations: Lessons of the UNEF

Following is a statement by William E. Schaufele, Jr., U.S. Deputy Representative on the U.N. Security Council, made on December 5 before a joint hearing of the Subcommittee on International Organizations and Movements and the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs.[1]

USUN press release 127 dated December 6

It gives me a great deal of pleasure to appear before the subcommittee this morning to discuss United Nations peacekeeping. As an American citizen, I am especially gratified that you are holding hearings on a subject which is the primary objective of the U.N. Charter and of diplomacy itself. One important reason which led me to welcome an assignment at the U.S. Mission to the United Nations was the inclusion of peacekeeping as one of my principal responsibilities.

As you know, the U.N. Special Committee on Peacekeeping Operations has been virtually deadlocked for several years, after having made some initial progress in its efforts to reach agreement on the guidelines governing future peacekeeping operations. It is no secret that the major obstacle has been a difference between the United States and the Soviet Union regarding the respective authority and responsibilities of the Secretary General and the Security Council. The Soviet Union has steadfastly supported the principle that the Security Council be responsible for day-to-day peacekeeping operations, thus making any decision subject to the veto. The United States, on the other hand, has emphasized the necessity of leaving nearly all operational decisions to the Secretary General and the Force commander in the interests of efficiency and effective peacekeeping.

Secretary of State Kissinger signaled a willingness to take a new look at U.S. policy in his September 24 speech to the U.N. General Assembly when he said:

> The time has come to agree on peacekeeping guidelines so that this organization can act swiftly, confidently, and effectively in future crises. To break the deadlock, the United States is prepared to consider how the Security Council can play a more central role in the conduct of peacekeeping operations.

We are now exploring possibilities which would help achieve that end. In doing so, we hope that we can break the deadlock, facilitate the rapid establishment of peacekeeping operations in response to crisis situations, and achieve an agreement which accommodates the concerns of all. However, we expect other delegations, including the Soviet Union, which have significant peacekeeping interests and responsibilities to respond to the U.S. move.

The peacekeeping operation in the Middle East which established a new U.N. Emergency Force (UNEF) encourages us to believe that an acceptable compromise may be attainable. Before going into the lessons of UNEF or the establishment of peacekeeping guidelines, I would like to describe briefly the genesis of that operation.

When it was demonstrated that the cease-fire established by Security Council Resolution 338 and reiterated in Resolution 339 was at best a fragile thing, the Security Council on October 25 adopted Resolution 340, which set up the Force under the authority of the Security Council and requested the Secretary General to report on the steps taken to this effect. The Secretary General submitted a

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

comprehensive report the following day. On October 27 the Security Council adopted Resolution 341, which approved the Secretary General's report and established the Force for a six-month period at an estimated cost of $30 million. In the resolution providing for the financing of the Force, the principle of collective responsibility has been accepted. Although the United States would have preferred that the operation be financed on the regular scale of assessments, we acceded to a compromise acceptable to the overwhelming majority of the membership. However, a special scale has been devised, and the United States and the other permanent members of the Security Council will pay 15 percent more than their scale of assessment for the regular budget. Developing countries will pay 80 or 90 percent less than their normal scale.

The delay in final approval of the Secretary General's report was due primarily to extensive, intricate, and time-consuming consultations on the composition of the Force. The United States proposed an amendment to the original eight-power draft which would exclude contingents from the permanent members of the Security Council. This amendment was adopted despite the reservations of the Soviet Union, France, and Great Britain. We believe that regardless of their special responsibility for the maintenance of international peace and security, it is often desirable that the permanent members be excluded in order to prevent polarization or confrontation which could have effects in or beyond the area in which the Force would operate.

The Soviets believe very strongly that the "Western" nations have dominated U.N. peacekeeping activities in the past. They particularly noted that the first UNEF contingents which were withdrawn from the peacekeeping operation in Cyprus comprised Swedes, Finns, and Austrians, whom, though neutral, the Soviets tend to describe as "Western." The United States, however, was and is in the first instance concerned with the effectiveness of the Force and the impartiality of the contributing countries as to the issues and the parties concerned in the dispute. The terms of reference of UNEF concerning the geographic distribution of the Force represent a compromise with which we are not entirely satisfied and which we certainly do not regard as a precedent.

What, then, can we learn from the establishment of the U.N. Emergency Force in the absence of agreed guidelines? First, it has been demonstrated that the United Nations, for the benefit of all, can interpose itself in certain conflict situations. It can not only improve the situation on the ground, but also, we have reason to hope, it can provide a means by which the parties to a conflict can construct a permanent settlement of their differences. Second, we are encouraged by the fact that in the case of the new UNEF, there was no argument at all about the primacy of the Security Council. That is as it should be. The Secretary General proposed the terms of reference, and the Council approved them. Since this is a "consent operation," not an enforcement action under article 42 of the U.N. Charter, the Security Council wisely enlisted the full cooperation of the parties concerned. The Council defined the mandate, established the maximum size of the Force, provided for equitable financing of the operation, and gave its consent to other decisions before the operation could be launched.

Another lesson is that the terms of reference approved by the Security Council involved, in several instances, departures from positions previously held by several delegations in discussing peacekeeping guidelines in more theoretical terms. Our government made such concessions, and so have others. That is a healthy development, proving that it may not be necessary to formulate guidelines so detailed as we had previously believed. In particular cases we may find that agreement can—and perhaps should—be reached on either broader or narrower terms of reference as the situation may require. Thus the developments of late October and November provide practical examples of how some knotty problems discussed in the Peacekeeping Committee for years were resolved at a time of international crisis. We discovered that a peacekeeping operation could

in fact be established without predetermined guidelines.

Therefore we believe that the Peacekeeping Committee in its future work should not neglect the important lessons which we can draw from the way in which this operation was established, especially concerning such important matters as the establishment, financing, composition, size, and manner of termination of peacekeeping operations. Rather than taking comfort from our ability to establish UNEF in the absence of guidelines, we should seize the opportunity which this operation presents us in order to pursue, perhaps in more imaginative and general ways, the goal which we have been seeking for eight years in the Peacekeeping Committee.

Emergency Security Assistance for Israel and Cambodia

Statement by Kenneth Rush
Deputy Secretary of State [1]

I welcome this opportunity to appear before you this morning to discuss the administration's request for emergency assistance for Israel and Cambodia. We have already provided this committee with classified documents detailing all aspects of this legislation and will of course provide additional documentation as our assessment of the military balance in the Middle East proceeds.

We are more hopeful now than at any time in the past that the Arab-Israeli conflict, the source of four wars in the last 25 years, may finally be settled by peaceful face-to-face negotiations. But in this delicate period, in which, hopefully, we move toward a peaceful solution to this dispute, we must make it clear to our friends in Israel, to our friends in the Arab world, and to those in the Arab world and elsewhere who choose to oppose our policies in the Middle East that Israel will be given the assistance and the equipment necessary to enable her to defend herself.

The fighting in the Middle East was bitter and costly. The substantial equipment losses suffered by Egypt and Syria and Iraq have been and are being replaced by a massive Soviet resupply effort. We do not know what the repayment terms for this Soviet equipment are, although we have given the committee our tentative estimates on a classified basis. We are certain, however, that repayment terms are not holding up the flow of Soviet arms into the area.

Israel has also suffered severe losses. She has purchased nearly $1 billion in equipment from us since October 6. As a result of these purchases, Israel has replaced nearly all the equipment lost during the recent fighting. Israel will need substantial amounts of additional equipment as well, minor amounts to replace losses but primarily to counterbalance the heavy flow of new and sophisticated Soviet weapons to Arab armies. This is particularly important as we look ahead to a round of negotiations which could lead to a permanent peace in the area. Without belaboring the point, I believe it is clear to anyone who looks at a map of the Middle East that Israel's military equipment needs would of necessity increase as the distance between the territory she controls and the armies of her potential enemies decreases. There should be no doubt in anyone's mind that Israel was attacked suddenly and without warning during the recent fighting. We cannot expect that Israel will be prepared to make significant compromises for peace unless her people are assured that they will have the weapons with which to defend themselves. If Arab armies had been on Israel's borders when the latest fighting took place, the outcome might have been very different.

As you are aware, we have requested $2.2 billion for Israel with the option to provide all or part of it on either a grant or a credit basis. We do not at this time have a firm estimate of what amount we might

[1] Made before the Senate Committee on Foreign Relations on Dec. 13. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

wish to provide on a grant basis and what amount we might wish to provide on a credit basis. The Israeli economy was in excellent shape before the fighting began. Subsequent economic demands and dislocations have been heavy. We wish to be in a position to assist Israel to obtain the equipment she needs without disrupting her economy. We will of course keep this committee and the Congress fully advised as we proceed in our supply effort.

As I mentioned earlier, Israel has already purchased equipment valued at nearly $1 billion which substantially replaces her losses. Part of the money we are requesting would be used to fund these purchases on either a grant or a credit basis. Israel has also requested additional equipment from us, the value of which exceeds substantially $1.2 billion. We are studying these additional requests, but a total figure of $2.2 billion still represents our best estimate of the amount of assistance required to replace Israel's losses and to maintain the military balance in the Middle East in the immediate period ahead. We are not seeking to upset the arms balance in favor of Israel, but we do not wish to have it tilted in the other direction either. There will be difficult policy choices, for in the last analysis any military balance sheet contains imponderable elements concerning intentions, human resources, and the like. The $2.2 billion figure is our best estimate, and we attach great importance to securing all of it. All parties to the Middle East conflict are aware of this figure and have reacted to it. The authorization of a lesser amount now could necessitate our asking for an additional authorization in the future at a time when such a request could have an unsettling effect on efforts to negotiate a peaceful solution to this dispute.

In short, gentlemen, passage of this legislation will give us a firm basis to play a useful role in the negotiations ahead.

I also wish to point out that this sum if appropriated will fall within the President's fiscal year 1974 budget ceiling. No other requests for authorizations and appropriations which have been submitted by the executive branch to the Congress will have to be reduced to accommodate this authorization within the budget ceiling. We estimate that the net cost of this $2.2 billion authorization to the United States in FY 1974 will be approximately $600 million.

We also support the amendment made by the House Foreign Affairs Committee which will enable us to use some of the money authorized in this legislation to pay for our share of costs associated with maintaining the United Nations forces on the cease-fire lines.

Our policy objectives in the Middle East are clear. We seek a fundamental peace settlement in which all states in the area will be secure from the recurrent threat of war. Our military supply policy provides clear evidence that we will not allow military preponderance to solve the Arab-Israeli dispute on the battlefield. Our efforts in the forthcoming negotiations will demonstrate both to Arab and to Israeli leaders that only with American assistance can peace be attained. Other states have sought to use the Arab-Israeli dispute to further interests which threaten the religious and national interests of Arab and Jew alike. We seek no such dominance. We have no ideological fish to fry. We seek merely a firm peace, a peace which will endure. This legislation will help us to attain this objective.

A lasting peace is also our objective in Southeast Asia. The structure for the peace was established last January when the Paris agreements ended the active fighting in South Viet-Nam. At that time we hoped that cease-fires and peace agreements for Laos and Cambodia would quickly follow. In Laos they have, but in Cambodia the Communist side has responded to the peace overtures of the Cambodian Government, which included an offer of a cease-fire, with ever more vicious attacks. To permit these tactics to succeed would embolden the other side and jeopardize the fragile structure of peace we have built in the area.

The price of protecting and building this structure in Cambodia is modest. We are requesting an additional $200 million over our original request submitted earlier this year when our hopes for peace were high and

we were able to assist the Cambodian forces in their struggle with U.S. air support. The price of denying this request is incalculable, for it could result in the fall of Cambodia and the eventual undermining of all our efforts for peace in Southeast Asia.

I realize that the fiscal year 1974 foreign assistance authorization bill gives us authority to draw upon Defense Department stocks to meet Cambodia's requirements. This authority and legislative history surrounding it clearly indicate that the Congress recognizes Cambodia's requirements. Under these circumstances the authorization for appropriations for Cambodia contained in S. 2692 is no longer legally required. That authorization is contained in section 506 of the Foreign Assistance Act. We still of course need the appropriation which we have requested in order to reimburse the Defense Department to the extent that the drawdown authority is used.

In both Southeast Asia and the Middle East the funds we are requesting will enable us to continue to build secure foundations for a lasting peace.

Department Discusses Efforts To Account for Missing in Action in Laos

Following is a statement made before the Subcommittee on National Security Policy and Seientific Developments of the House Committee on Foreign Affairs on December 5 by Frank A. Sieverts, Special Assistant to the Deputy Secretary of State for Prisoner of War/Missing in Action Matters.[1]

I appreciate the opportunity to appear before this subcommittee to report on our continuing efforts to account for our missing-in-action personnel in Indochina and to comment on the House concurrent resolutions expressing the sense of Congress on this serious subject. Let me say at the outset that the Department of State fully shares the concern expressed in the past by this subcommittee, and by the many Members of the Congress who have spoken on this subject or submitted resolutions, about the Communist side's refusal to provide information on our missing men. It will soon be a year since the signing of the Viet-Nam agreement on January 27, 1973, and nine months since the last POW's were released. The Communist authorities have failed to account for a single one of our missing men since that time.

My colleague from the Defense Department will speak on the activities of the Four-Party Joint Military Team, which has responsibility for this subject under the Viet-Nam agreement, and on the Joint Casualty Resolution Center (JCRC), which has the mission of searching for our missing men in Southeast Asia. My testimony will concentrate primarily on the POW/MIA situation in Laos. I will also discuss the subject of missing journalists and other civilians and will comment on the House concurrent resolutions that have been referred to this subcommittee.

Before examining the situation in Laos, I would like to report that the International Conference of the Red Cross meeting in Tehran, Iran, on November 14 adopted a resolution reaffirming international concern about the accounting for the missing and dead in armed conflicts. The American Red Cross and U.S. Government delegations to this conference took the lead in winning support for this resolution, which was approved unan-

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

imously. We have heard from our returned POW's that a resolution on treatment of prisoners of war adopted by the International Red Cross Conference in 1969 may have been an important factor influencing the North Vietnamese to improve the treatment of our men in the fall of 1969. We can only hope that this new resolution will have a similar effect on the Communist authorities responsible for accounting for our missing men.

I would be glad to provide the text of that resolution for the record of this hearing, with the text of the statement by Dr. Frank Stanton, chairman of the American National Red Cross and former president of CBS–TV, introducing the resolution at the Tehran conference.

Two agreements and a protocol govern the return of prisoners of war and accounting for the dead and missing in Laos. Under the Viet-Nam agreement of January 27, 1973, we have held North Viet-Nam responsible for the release of all American POW's held throughout Indochina. Pursuant to that agreement, the Communist side provided lists of American prisoners in three categories: North Viet-Nam, the PRG [Provisional Revolutionary Government], and Laos. Lists for North Viet-Nam and the PRG were given to U.S. officials in Paris on January 27. Names of nine U.S. prisoners listed as prisoners of the Lao Patriotic Front (LPF)—the Pathet Lao—were given to U.S. officials by North Vietnamese officials in Paris five days later, on February 1. That list was smaller than we had been led to expect by previous statements by Pathet Lao officials, and American officials told the North Vietnamese that we did not accept it as a complete list of Americans captured in Laos. The nine men on that list were released in Hanoi on March 28, virtually the last prisoners released from Communist captivity. Most of them had been held in North Viet-Nam during most of their captivity.

The Agreement on the Restoration of Peace and Reconciliation in Laos, signed by the two Lao parties on February 21, 1973, further spelled out responsibility for the release of prisoners and accounting for the missing. Article 5 of that agreement reads as follows:

> Both Lao sides will return to each other all persons regardless of nationality that were captured during the war, including those imprisoned for cooperating with the other side. Their return will be carried out according to the procedures set up by the two sides, and, at the latest, must be completed within 60 days following the establishment of the Provisional Government of National Union and the Joint National Political Council.
>
> After all those who were captured have been returned, each side has the duty to gather information on those missing during the war and report the information to the other side.

From the day of the release of the February 1 list, and before, senior American Embassy officials in Laos had made clear to the Communist side the importance we attached to the release of any remaining American prisoners and the fullest possible accounting

Red Cross Conference Resolution on Accounting for Missing and Dead

Following is the text of a resolution adopted unanimously by the International Conference of the Red Cross at Tehran on November 14.

The XXIInd International Conference of the Red Cross,

Recognizing that one of the tragic consequences of armed conflicts is a lack of information on persons who are missing or who have died, including those who died in captivity, and

In conformity with the humanitarian traditions of the Red Cross and with the spirit of the Geneva Conventions of 1949;

Calls on parties to armed conflicts, during hostilities and after cessation of hostilities, to help locate and care for the graves of the dead, to facilitate the disinterment and return of remains, and to provide information about those who are missing in action, and

Further calls on parties to armed conflicts to cooperate with protecting powers, with the ICRC and its Central Tracing Agency, and with such other appropriate bodies as may be established for this purpose, including National Red Cross societies, to accomplish the humanitarian mission of accounting for the dead and missing, including those belonging to third countries not parties to the armed conflict.

for the missing. LPF officials with whom our representatives met took the position that prisoner-of-war and missing-in-action questions could not be addressed until the protocol implementing the February 21 agreement was agreed to and signed. Consequently, our Embassy representatives worked to speed the signing of that protocol and to insure that constructive POW/MIA provisions would be included in it.

Article 18 of the protocol signed September 14 by the two Lao parties includes a number of specific provisions on this subject. It reads as follows:

A. The return of all persons regardless of nationality who were captured and imprisoned for cooperating with the other side during the war will be accomplished in three stages and completed at the same time as the withdrawal of foreign troops and military personnel.

B. The return of prisoners at each stage from each side will be reported by number of persons, location, and time to the Joint Central Commission to Implement the Agreement (JCCIA) 48 hours in advance.

C. Within 15 to 30 days, counting from the date of signing of this Protocol, each side will report the number of those captured and imprisoned to the JCCIA, indicating nationality and whether military or civilian, together with a list of names of those who died in captivity.

D. After the return of the prisoners is completed, each side must report as quickly as possible to the JCCIA information it is able to obtain about persons missing during the war regardless of nationality.

E. The return of those captured and imprisoned during the war and the gathering of information that each side will submit about the persons missing during the war is the responsibility of the JCCIA. When both sides in the JCCIA believe it necessary, they may request assistance from the International Control Commission.

The language of article 18 calls for the release of all prisoners "regardless of nationality" captured and held in Laos. This would apply to Lao personnel, to other Indochinese, and of course to any Americans. The release of prisoners is to take place in three stages and be completed at the same time as the withdrawal of foreign troops and military personnel, which is specified elsewhere in the protocol as 60 days from the date of formation of the coalition government. The composition of the coalition is also spelled out in the protocol, but the 60-day clock for prisoner releases does not start until the coalition is actually formed, which has not yet happened.

Paragraph C of article 18 provided that within "15 to 30 days" from the date of signing of the protocol (September 14) each side was to report the number of those still held, with indication of their nationality and status, together with the list of names of any who died in captivity. This was the shortest time period for implementation specified in any part of the protocol, and the only one starting with the date of signing. Unfortunately, the Pathet Lao simply disregarded this provision.

Article 18 further states that information about persons missing during the war should be reported as quickly as possible after the return of the prisoners is completed. The information is to be reported to the Joint Central Commission to Implement the Agreement (JCCIA), composed of representatives of the sides. The JCCIA held its first formal meeting November 23, and we have drawn some encouragement from the fact that the LPF representative at that meeting reaffirmed his recognition of the obligation to release prisoners and account for the missing and dead. The JCCIA may, by mutual agreement, request assistance from the International Control Commission (ICC) for Laos. It has not so far done so.

It must be noted, however, that the Lao Patriotic Front has repeatedly stated publicly and directly to senior U.S. officials that there are no more American prisoners captured or held in Laos—with the exception of a civilian, Emmet Kay, a pilot for Continental Air Services, Inc., whose plane went down in northwest Laos May 7, 1973. They have continued to describe the nine names provided February 1 as the total list, reaffirming this position following the signing of the September 14 protocol.

Mr. Kay's capture was confirmed by LPF authorities soon after it took place, and letters from him have been received by his wife, who resides in Vientiane. Our Embassy has pressed repeatedly for his release, but the

LPF has said this must await further implementation of the protocol—which suggests it will come in the 60-day period after formation of the coalition. The International Committee of the Red Cross (ICRC) delegate in Vientiane has also tried to intervene on Mr. Kay's behalf, also to no avail.

Although U.S. officials in Laos have pressed the Communist side to allow search teams from our Joint Casualty Resolution Center to visit crash and grave sites in Laos, no provision to this effect was contained in the Laos agreement or protocol. We have explained the peaceful, open, and humanitarian mission of the JCRC in the hope that the Communist authorities would permit our search teams to visit at least selected crash and grave sites, so far to no avail.

Our representatives have also provided the Communist side with a detailed listing of our POW/MIA's in Laos, including those listed as dead whose bodies were not recovered, with the request for information on these men. We have called particular attention to the cases of men who were previously acknowledged as captured in Laos or for whom there are indications that they survived shootdowns. Two of the most obvious cases are Air Force Lt. Col. David Hrdlicka, whose capture May 18, 1965, was openly confirmed by the Pathet Lao, and the American civilian, Eugene Debruin, of Air America, also confirmed as a prisoner following his capture September 5, 1963. We continue to hope that the lists and information we have provided will help convince the LPF to provide additional information on our missing men.

As is clear from the foregoing, our representatives in Vientiane have maintained continuing pressure on the Communist side on this subject. For example, when it became clear that the Communist side was ignoring the 30-day period specified in the protocol for provision of numbers of prisoners and names of those who died in captivity, our Embassy called on a Pathet Lao representative to make clear the importance we attached to prompt and full compliance with this provision. We noted that the government side was compiling data on prisoners it held and on those who died in captivity and urged the Pathet Lao to do likewise, pointing out that the protocol gave first priority to this subject and did not link it to the formation of the coalition government. The Pathet Lao representative, however, rejected this approach and said no information would be forthcoming until the JCCIA was constituted and the coalition government was formed.

On the question of JCRC access to Laos, the Pathet Lao representative flatly stated that no outside element could concern itself with POW/MIA's in what he described as the "liberated zone." He also rejected our suggestion of a possible role for the ICC or ICRC in crash- and grave-site inspections.

The vast majority of crash and potential grave sites in Laos are located in areas that are under control of North Vietnamese forces. Thus, North Viet-Nam effectively controls the basic information on this subject. We have attempted to raise it with them in the Four-Party Joint Military Team in Saigon, but they have insisted that POW/MIA's in Laos must be discussed with the LPF.

It goes without saying that we are seriously dissatisfied with the Communist side's performance on this subject thus far. During the hearings on his confirmation as Secretary of State, Dr. Kissinger made clear that we will not be able to proceed with the economic assistance provisions of the Viet-Nam agreement until there is more satisfactory compliance with the MIA provisions.

The June 13, 1973, joint communique signed by the Democratic Republic of Viet-Nam (DRV) and the United States reaffirmed the commitment of the two sides to implement the January agreement and restated the key provisions on accounting for the missing and dead.

On July 29, 1973, we sent a formal note to the North Vietnamese Government strongly protesting their continued failure to fulfill their obligations on this humanitarian subject. That note states in part:

> The accounting for the missing and the repatriation of remains are purely humanitarian obligations unrelated to other issues. They could have been largely carried out by now if a spirit of goodwill and cooperation had been manifested on this subject.

This would have brought solace to the families and loved ones of more than 1,300 Americans listed as missing, and of those who have died but whose bodies have not been returned.

I would be glad to provide the text of the July 29 note for the record of this hearing.

I would like to call attention to the continuing efforts by relatives of our POW/MIA's to stimulate public awareness on this subject and to appeal directly to the Communist authorities for information on our missing men. During October, 53 relatives of our men missing in Laos traveled to Vientiane at private expense under the auspices of the National League of Families of American Prisoners and Missing in Southeast Asia in a dramatic direct attempt to elicit information from the Communist side. The trip was timed to coincide with the October 14 date specified in the Laos protocol for provision of the information on the number of prisoners and the names of those who died in captivity. A few members of the group met personally with Mr. Soth Petrasi, LPF representative in Vientiane, to convey their personal concern to him directly. We share the hope of the family members that these and other efforts will help convince the Communist side even at this late date to fulfill their humanitarian obligations.

While in Indochina, the family members also met with the representative of the ICRC in Laos, who told them of his continuing efforts to press the Communist side on this subject. The president of the ICRC, Dr. Eric Martin, with whom I met during the recent Tehran conference, assured me that his organization would continue and redouble its efforts on this subject.

In addition to the more than 1,300 U.S. military personnel who remain unaccounted for in Indochina, there continue to be some 20 international journalists missing and possibly captured, nearly all of them in Cambodia. We are in touch with organizations of journalists working on this subject and have supported their efforts to obtain information on their missing colleagues.

In addition to journalists, there continue to be some 25 American civilians missing in South Viet-Nam, Laos, and Cambodia. These include, for example, three missionaries of the Christian and Missionary Alliance, who were seen being led away by Communist forces on May 30, 1962. They have been missing longer than any other Americans in Indochina. Our efforts to obtain information apply fully, of course, to civilians as well.

One other American civilian, Mr. Homer L. Elm, of Arcadia, South Carolina, is a confirmed prisoner in South Viet-Nam. Mr. Elm is an employee of Pacific Architects and Engineers and was working in support of the International Commission of Control and Supervision (ICCS) for Viet-Nam. He was captured at 8 p.m. October 6, when the truck he was driving was attacked on National Highway 4 northeast of Thanh Tri in Ba Xuyen Province. Two Vietnamese employees were captured with Mr. Elm. His capture was especially disturbing since the truck was clearly marked as operating in support of the ICCS. The ICCS and we have pressed the Communist authorities repeatedly to return Mr. Elm and those captured with him. We continue to hope for his early release.

I have left to the last our comments on the House concurrent resolutions that have been referred to this subcommittee. As is clear from my testimony, we share the concern of the many sponsors of these resolutions about the Communist side's failure to comply with the missing-in-action and accounting-for-the-dead provisions of the Viet-Nam and Laos agreements and protocols. The resolutions would declare it to be the sense of Congress that the U.S. Government should cease all consideration of aid, trade, diplomatic recognition, or other forms of accommodation with the Democratic Republic of Viet-Nam or the Provisional Revolutionary Government until such time as the POW/MIA provisions of the agreements and protocols are fully complied with.

It is already our consistent policy to use all useful means at our disposal to try to bring the Communist authorities into compliance with their obligations on this subject. For example, we have repeatedly made it clear to the North Vietnamese, in private ne-

gotiations and in numerous public statements, that we could not proceed with implementation of the economic assistance provisions until there is satisfactory compliance with the MIA and return-of-remains requirement and other important provisions of the agreement. Specifically, the DRV has been told that they could not expect the U.S. Government—including the Congress—to approve an economic assistance program until we are satisfied with their post-cease-fire performance. This is far from the case at present, in the accounting for our missing or captured men and on other serious questions such as the continued buildup of North Viet-Nam's forces in South Viet-Nam. The same reasoning applies to the questions of diplomatic recognition, trade, and the other types of accommodation referred to in the resolutions.

In substance, therefore, our policies already reflect what we take to be the basic intent of the resolutions, which is to put the North Vietnamese on notice that there can be no trade, aid, recognition, or other accommodation from the United States until they comply with their humanitarian obligation to account for our POW/MIA's.

At the same time, and despite the bleak record thus far, we would consider it better not to foreclose the possibility that as a result of inducements, deterrents, and persuasion, the DRV may yet adopt a more reasonable policy on accounting for our MIA's and on other aspects of the agreements. The resolutions express the view that even consideration of this subject must await full compliance by North Viet-Nam. This appears to us to go too far. If adopted as a policy, it would close the door and limit our flexibility to an undesirable extent. We are and will remain seriously concerned about the Communist side's violations of the Viet-Nam agreement. But we do not yet think we should write off conclusively the chance of improved performance by the DRV. We believe our policies should have the continuing purpose of trying to induce the North Vietnamese to choose the road of cooperation and peace—with fulfillment of their humanitarian obligations—rather than reverting to large-scale warfare.

TREATY INFORMATION

Current Actions

MULTILATERAL

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna February 21, 1971.[1]
Accession deposited: Cyprus, November 26, 1973.

Patents

Strasbourg agreement concerning the international patent classification. Done at Strasbourg March 24, 1971.[1]
Ratification deposited: United States, December 21, 1973.

Protection of Diplomats

Convention on the prevention and punishment of crimes against internationally protected persons including diplomatic agents. Done at New York December 14, 1973. Enters into force on the 30th day following date of deposit of the 22d instrument of ratification or accession.
Signature: United States, December 28, 1973.

PUBLICATIONS

Publications Distributed by Bureau of Public Affairs

Single copies of reprints, Bureau of Public Affairs news releases, and other publications listed below are available free of charge as long as supplies last and may be ordered from the General Publications Division-B, Office of Media Services (PA/MS), Department of State, Washington, D.C. 20520.

A Just Consensus, A Stable Order, A Durable Peace. Address by Secretary of State Henry A. Kissinger before the 28th session of the United Nations General Assembly on September 24, 1973. Pub. 8724. General Foreign Policy Series 282. 10 pp.

Special Economic Report: Summary of Controls on the International Movement of Capital. This study, prepared by the Bureau of Intelligence and Research

[1] Not in force.

and using the OECD Capital Movements Code as a point of departure, outlines the nature and variety of capital controls and the difficulties inherent in their removal. PA/MS news release. June 1973. 16 pp.

Special Report: Pakistan Recuperates—A Chronology of Key Events Since the 1971 War. Chronology of Pakistan's key domestic and external events prepared by the Department of State's Bureau of Intelligence and Research. PA/MS news release. September 1973. 15 pp.

Special Economic Report: Living With Floating Exchange Rates. Discusses the impact the floating exchange rate system has had on foreign trade and investment, on rate stability and ease of adjustment, and on internal economic policies. PA/MS news release. September 1973. 27 pp.

A Simulation Analysis: $12 Billion Turnaround in the U.S. Trade Balance—Is It Feasible? Trade study with tables prepared by the Department of State's Bureau of Intelligence and Research. PA/MS news release. October 1973. 42 pp.

Special Report: Japan's Overseas Private Investment—Growth and Change. This study on the changing emphasis of Japan's overseas investment was prepared by the Department of State's Bureau of Intelligence and Research. PA/MS news release. October 1973. 11 pp.

Special Report: 1972 Indicators of Comparative East-West Economic Strength. Four tables prepared by the Department of State's Bureau of Intelligence and Research. PA/MS news release. October 1973. 3 pp.

Special Report: U.S. Assists Emigration of Soviet Jews. This pamphlet, prepared by the State Department's Office of Refugee and Migration Affairs, outlines the U.S. role in assisting refugee emigration from Eastern Europe. PA/MS news release. October 1973. 4 pp.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on December 18 confirmed the following nominations:

Harry G. Barnes, Jr., to be Ambassador to Romania.

L. Dean Brown to be Deputy Under Secretary of State [for Management].

William B. Buffum to be an Assistant Secretary of State [for International Organization Affairs].

Francis L. Dale to be the representative to the European office of the United Nations, with the rank of Ambassador.

Robert Stephen Ingersoll to be an Assistant Secretary of State [for East Asian and Pacific Affairs].

Heyward Isham to be Ambassador to Haiti.

Joseph J. Jova to be Ambassador to Mexico.

Anthony D. Marshall to be Ambassador to the Republic of Kenya.

Ralph J. McGuire to be Ambassador to the Republic of Mali.

Francis E. Meloy, Jr., to be Ambassador to Guatemala.

David D. Newsom to be Ambassador to the Republic of Indonesia.

David H. Popper to be Ambassador to Chile.

Stuart Nash Scott to be Ambassador to Portugal.

Francis T. Underhill, Jr., to be Ambassador to Malaysia.

Viron P. Vaky to be Ambassador to Colombia.

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No.	Date	Subject
*471	12/27	Meloy sworn in as Ambassador to Guatemala (biographic data).
†472	12/27	Kissinger: news conference.
*475	12/28	Study group CCMT, U.S. National Committee for CCIR, Jan. 15.
*476	12/28	Kissinger: departure statement, Geneva, Dec. 22.
*473	12/27	Shipping Coordinating Committee Subcommittee on Code of Conduct for Liner Conferences, Jan. 8.
*474	12/27	U.S. Advisory Commission on International Educational and Cultural Affairs, Jan. 14.

* Not printed.
† Held for a later issue of the BULLETIN.

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Secretary Kissinger's News Conference of December 27

OPENING STATEMENT

Press release 472 dated December 27

Secretary Kissinger: Ladies and gentlemen, I thought the way to give this conference some focus is for me to make a brief summary of the highlights of this year's foreign policy as we see it and some attempt of projecting it into the future.

First, let me begin with the event that started the year, which was of course the peace in Viet-Nam, and then let me go from there to the general design of the foreign policy and how the various pieces—how we attempted to fit the various pieces together.

The year began with ending the most divisive, the most difficult, the most agonizing war in American history—certainly the most divisive and agonizing foreign war in American history.

Throughout the four years of President Nixon's first term, the basic debate had been on the terms by which the war should be ended. And the fundamental condition that the United States had set was that we would not end the war by overthrowing the government with which we had been allied but that we were prepared to withdraw our forces and to leave the evolution of events in Indochina to the Indochinese.

At the beginning of January, last year, we achieved a settlement which permitted the disengagement of American forces, which left the political resolution of the political future of Viet-Nam to be decided by negotiation among the Vietnamese parties, and which returned the American prisoners. It did not settle all the issues that had produced the conflict in the first place, a war that was partly a foreign invasion from the outside and partly civil war; an area that had been rent by conflict for 30 years could not possibly go from war to peace immediately or painlessly or perhaps at all.

We had defined the American role as permitting an evolution that left the destiny of the area in the hands of the people concerned. We had hoped—if you remember the speech of the President and my press conference—we had hoped that the end of the war in Viet-Nam would permit also the beginning of an era of national reconciliation in this country. And much of the agony of the previous years had been assumed to be overcome by the fact that both those who had opposed the manner of conducting the war and those who had wanted to bring it to a conclusion along the lines that were achieved could agree now that there was a need to turn to more positive tasks.

For a variety of reasons, other issues arose that did not make this entirely possible. But the war in Viet-Nam is no longer—and the war in Indochina—is no longer a divisive national issue; and as far as the administration is concerned, it will, as I have pointed out in my last press conference, heed the expressions of the Congress and stay true to the principles that it has consistently pursued.

In any event, with the war in Viet-Nam ended, the major focus of our foreign policy attention could turn to the design of the structure of peace that has been the President's principal goal since he came into office.

In its first phase, this meant that the United States had to reduce many of its overextended commitments and that the United States had to disengage gradually from any foreign involvement and, above all, that the United States should evoke a sense of re-

sponsibility for their own sake in many areas of the world. This was the so-called Nixon doctrine which characterized the first two or three years of the President's first term.

It was the prelude to the initiatives toward China and the détente with the Soviet Union that were to lay the basis for a fundamental realignment of the postwar period which had been based on a rigid division between opposing hostile blocs.

So, by the time the second term of the President started, we faced an international situation in which the basic assumptions of the immediate postwar period had been substantially altered. The rigid hostility between the Communist world and the non-Communist world had been altered first by the divisions within the Communist world itself and by the amelioration of relations between the Soviet Union and the United States, as well as the People's Republic of China and the United States.

Europe and Japan had gained strength and political self-confidence. The economic system that had been created in the immediate postwar period had become fluid and was in need of redesigning. So the great task before this administration, as it will be before its successors, has been to construct an international system based on a sense of justice so that its participants would have a stake in maintaining it, with a sufficient balance of power so that no nation or group of nations would be dependent entirely on the good will of its neighbors, and based on a sense of participation so that all nations could share in the positive aspirations.

This has been the basic architectural design that cannot possibly be completed in any one administration, and the work which must continue in future administrations. And when we speak of institutionalizing foreign policy, we do not mean that designated committees would carry out specific tasks, but that the basic goals of the long term are accepted by a sufficient consensus in America so that the future security of this country does not depend entirely on the vagaries of the political process.

Détente With Communist Countries

Now let me be more specific, and let me talk in various categories. Let me begin first with East-West relations. Our policy toward both the Soviet Union and the People's Republic of China has been characterized as a policy of détente. And it is the characteristic of policies that become more or less accepted that the benefits are taken for granted and that some of the difficulties that were overlooked in the beginning become more and more apparent.

Let me explain what we understand by détente. We do not say that détente is based on the compatibility of domestic systems. We recognize that the values and ideology of both the Soviet Union and the People's Republic of China are opposed and sometimes hostile to ours. We do not say that there are no conflicting national interests. We do say that there is a fundamental change in the international environment compared to any other previous period, a change which was expressed by President Eisenhower more than 20 years ago when he said, "There is no longer any alternative to peace." Under conditions of nuclear plenty, the decision to engage in general war involves consequences of such magnitude that no responsible statesman can base his policy on the constant threat of such a holocaust and every leader with a responsibility for these weapons must set himself the task of bringing about conditions which reduce the possibility of such a war to a minimum and, indeed, over any extended period of time reduce this possibility to zero.

So we do not say that we approve of the domestic evolution of the Soviet Union or of other Communist countries with which we are attempting to coexist. Nor do we accept that détente can be used for military expansion or for threatening weaker countries or for undermining our traditional friendships. But we do make a conscious effort to set up rules of conduct and to establish a certain interconnection of interests and, above all, to establish communications between the top leaders and between officials at every level

that make it possible in times of crisis to reduce the danger of accident or miscalculation.

This has been our policy with the Soviet Union, and it is the policy we have pursued as well with the People's Republic of China.

With respect to the Soviet Union, it has led us into a series of negotiations on the limitations of strategic arms, on mutual and balanced force reductions (MBFR), on European security, on such measures as the agreement for the prevention of nuclear war—into extended exchanges between the President and General Secretary Brezhnev designed to lay the basis for a more civil discourse.

This does not preclude that this relationship can break down.

Ideology, long-established relations, as well as the internal logic of certain areas such as the Middle East, can produce tensions and indeed can produce explosions that, whether or not they are fostered by the two superpowers, may bring them into conflict with each other.

Nor is it foreordained that the behavior of the two protagonists necessarily lives up to the principles that they declare. In those cases, as happened at one phase during the Middle East crisis, the United States will maintain its commitments and will defend its international position and the position of its friends.

But we will not be easily deflected from the course of seeking a relaxation of tension —a course which proved itself even in tension periods and a course which modern technology will impose on any administration even if we should be prevented from carrying out all the measures by different opinions about what should be the purposes of détente —such as the degree to which we should attempt to use our foreign policy to affect the domestic structure of other countries.

With respect to the People's Republic of China, we have established Liaison Offices in each other's capitals that are performing many of the functions that are normally carried out by embassies. We have had two visits by myself to Peking and also a substantial expansion of economic and other exchanges.

So we believe that with respect to the two great Communist countries, we are on a course which is in the interests of all of mankind and which is essential for the long-term prospects of peace.

Relations With Atlantic Nations and Japan

In our relations with our friends in Europe, the year has been disappointing. It had been our intention, in what we called perhaps too rashly "the Year of Europe," to affirm that the important measures in foreign policy were not confined to relations with adversaries but that traditional friends could also seize the opportunities of the future. We intended in our various initiatives to lay to rest concerns about the possibilities of a condominium between the United States and particularly the Soviet Union. We attempted to emphasize that the very successes of the Atlantic alliance had created a new situation which required a new act of vision, and we invited Europe and Japan to participate with us in this task of construction.

Now there have been many debates about whether the tactics by which this objective was pursued were always ideal, and there were many comments about this or that initiative. And obviously, any senior official pursuing the policies of his government will always be convinced that the measures his administration took are correct, because otherwise he would not have taken them. But I do not believe that this is the key problem. There is one principal problem in our relations with, especially, Europe at this moment that only the Europeans can answer—all the other criticisms can be relatively easily taken care of—and that question is: What is to be the shape of the emerging unified Europe? Is this Europe to be organized on a basis which seeks its identity in exclusivity to our position—or at least in distance from the United States? Or is it prepared, while affirming its identity, to recognize that the opportunities of the future require Atlantic cooperation?

As far as the United States is concerned, we have given our answer. All of our pro-

posals, however they were advanced, from the proposal of the Atlantic charter to the proposal of the common approach to energy, had one fundamental goal: to create a dialogue between ourselves and the Europeans in terms of the challenges that lay ahead of us and in terms of the common problems that needed to be solved.

That offer is still open. We believe that some progress was made in our recent talks in Europe, and we will continue both the work on the declarations with the European Community and with our NATO partners, as well as the work on the Energy Action Group.

But the United States is not concerned with developing some legal formula or with a document that responds to a single initiative. The problem before us is whether the nations of the Atlantic area, as well as Japan, faced with self-evident problems that affect them all, can develop a common approach or whether they will consume themselves in the sort of rivalry that has destroyed other civilizations. I will have a word to say about that when I discuss the energy problem.

As far as Japan is concerned, we believed that we were well underway to developing a new and mature partnership when the energy crisis diverted energies, diverted concerns, and when it created many temporary obstacles. But we believe that Japan should be an integral part of the relationship we are also attempting to develop with Europe and that Japan's importance and its growing strength and its political maturity entitle it to full consideration as an equal partner of the United States.

The Crisis in the Middle East

The most dramatic event of the year, of course, was the crisis in the Middle East. It is—it came upon us unexpectedly. We were not warned by any foreign government that there were any specific plans for an attack. The only warnings we received were general descriptions that the Middle East conflict—or that the tensions in the Middle East—might not be contained. And I have already described the kind of intelligence information that was available and which illustrated that facts are not self-explanatory, that one's preconceptions determine very importantly what interpretation is given to these facts.

The war in the Middle East faced the United States with a number of profound issues. There was the commitment the United States has had through all postwar administrations to the security of Israel. It was our concern that another superpower not exploit the tensions in the area for its own advantage. There was our interest in maintaining a balanced relationship with the Arab countries. And there came to be, increasingly, the problem of the energy crisis.

Our policy had to go through several phases.

The first, during the military phase, was to bring—to contribute to a situation in which the postwar evolution would not be determined by military success primarily, especially by military success growing out of a surprise attack and achieved with Soviet arms.

And secondly, to conduct ourselves in such a manner that in the diplomacy that would follow the war, we would be able to talk to all of the parties involved—Arab as well as Israeli.

And thirdly, we had to conduct ourselves in such a way that the Middle East would not play the role of the Balkans in 1914, in which local rivalries produced a catastrophe from which Europe never recovered and in which, under contemporary conditions, if a general war occurred the world would never recover.

The result of these efforts was, first, the cease-fire of October 22; then, the six-point agreement that was signed in early November; and the Geneva Peace Conference which started last week.

We are at the very beginning of what will be a slow and agonizing effort to reconcile objectives that in many respects seem contradictory. But as I have said repeatedly, and as the President has emphasized, the United States is committed to making a major effort to bring about a just and lasting peace in the Middle East that recognizes the security of

all the countries in the Middle East as well as the legitimate aspirations of all of the peoples in the area.

We believe that the conference is well launched, and we hope that some progress can be made in the disengagement talks that are now going on between Egypt and Israel —and that could go on between Israel and the other Arab countries.

The Global Energy Problem

The Middle East—the war in the Middle East also brought to a head the energy crisis on a global basis. It brought it to a head, but it did not cause it.

The basic cause of the energy crisis is that demand for energy has been growing exponentially while the incentives for supply have not kept pace. And in these conditions, sooner or later, the energy-consuming countries would have come up against the situation where their demand far outstripped the possibilities of supply.

And therefore, it is the U.S. view that the long-term problem in the field of energy makes it essential that a worldwide cooperative effort between consumers, and between consumers and producers, be started so that we can deal with the challenges on a long-term basis and not have to improvise responses with every year.

In this respect, the energy crisis may be only a forerunner of similar difficulties in other areas—and this is why the United States supported the World Food Conference that has now been called for 1974.

Tasks for the Future

These are some of the highlights of last year, and if one is to look ahead, one can see that the major task of building this international system remains to be done.

In East-West relations, in negotiations with the Soviet Union, we have before us the problem of SALT [Strategic Arms Limitation Talks], and as I have pointed out repeatedly, no task is more urgent than to master the rapid technological change in which weapons may outstrip the capacity of political control.

And therefore the United States will make a determined effort to fulfill the promise that President Nixon and General Secretary Brezhnev made to each other to try to have an agreement on SALT in 1974. It is a difficult assignment, because the first SALT agreement dealt with quantitative change, the present negotiations deal with the problem of qualitative change, which is both technically and conceptually much more difficult.

And we will continue to pursue the negotiations on mutual force reductions and European security.

In relations with the People's Republic of China, we will continue the policy of normalization that was started and seek to accelerate it.

Our relations with Europe—the offer that we made in April and December still remains on the table, and we are prepared to discuss with our European allies those aspects of our consultative processes that they find difficult. We believe that the problem of fears of condominium cannot be settled by abstract declarations, but only by a confident cooperation in trying to devise a future that we can all believe in.

In the Middle East, we will strive for peace —based on justice and accepted by all of the parties. And we hope that the peace that has been so painfully achieved in Indochina can be preserved.

These are the major tasks that we have set ourselves, together with an initiative toward Latin America which will culminate in a Foreign Ministers meeting at the end of February in Mexico City, in which the Latin American Foreign Ministers have responded to an initiative by the United States last October that we should define together a new Western Hemisphere relationship.

But I would like to stress again that the basic conviction of the administration is that the task that we have set ourselves cannot be completed in one administration or in one decade, because the international system that has grown up over many decades is fundamentally altered and the new international

system will take many years to construct. But its ultimate objective must be to contribute to the peace and to the well-being of all mankind.

Now I'll be glad to answer your questions.

QUESTIONS AND ANSWERS

Q. Mr. Secretary, early on in your lecture you said that the great task before this administration is to create an international situation based on a structure so that its participants will have a stake in maintaining it, which is, I suppose, about the same as the late Secretary Dulles used to say when he said the Russians will keep any agreements that is to their benefit to keep.

With that background of continuity in mind, I would like to ask you whether you can tell us at all what stake the Soviet Union has in maintaining the agreements that you have made so far in the Middle East, and if so, where their position is now. I am thinking of the various meetings that you have had with Mr. Dobrynin [Anatoliy F. Dobrynin, Soviet Ambassador to the United States] and others.

Secretary Kissinger: There are two schools of thought about Soviet objectives in the Middle East. One school of thought is that the Soviet Union has an interest in maintaining the tension because that will guarantee permanent Arab hostility to the United States and enhances the possibilities of Soviet influence. The other school of thought is that while this may have started out to be the Soviet policy in the 1950's, there have been since then three wars which have consumed a great deal of Soviet resources and whose outcome has been inconclusive. It has been demonstrated that the conflict in the Middle East can bring the superpowers into positions of potential confrontation. And it is therefore at least possible that the Soviet Union now has an interest in contributing to the stabilization of the situation in an area which neither superpower can really control by itself.

As far as the United States is concerned, we will deal with the Soviet Union as long as its actions are consistent with the second interpretation. That is to say, if the Soviet Union makes a responsible contribution to peace in the Middle East, we will be prepared to cooperate—not at the expense of our traditional friends nor by imposing a settlement made together with the Soviet Union. We are in direct contact with all of the parties in the Middle East. But we are prepared to deal with the Soviet Union on an equitable basis as long as its motives—or as long as its actions are consistent with a responsible course.

At Geneva, the Soviet Union contributed to a positive atmosphere. As you know, Foreign Minister [of the U.S.S.R. Andrei A.] Gromyko met with Foreign Minister [of Israel Abba] Eban.

The Soviet Union cooperated also in focusing the discussions on the first issue of disengagement, which seemed more manageable than some of the more difficult ones that will come along further down the road.

So as of now, judging the Soviet Union by its actions, we are willing to cooperate. Should Soviet behavior change, we can always reexamine our policy.

Q. Mr. Secretary, you mentioned the institutionalizing of foreign policy again today. Perhaps you can comment on that in light of increasing published stories that you have displayed an increasing penchant for secrecy and, instead of institutionalizing it, you have been personalizing it and making it entirely dependent on your own role.

Secretary Kissinger: Of course the final judgment on foreign policy is the substance and not the procedure. The institutionalization of foreign policy is, in my view, the development of a set of principles of foreign policy and of a sufficient support among those who have to carry it out so that continuity within the limits of the changes of the political process is assured.

Now, I have read many of these stories. And of course I do not propose to engage in a public debate with the various sources of these stories.

I believe that I am working closely with the appropriate Assistant Secretaries who are responsible for the areas with which we are dealing, and I believe that anyone who has a real knowledge of how policy is being made in the State Department today knows that there is a close sense of participation by all of those who have responsibility for regional areas or for those functional areas that can most contribute to policy. How this filters down below the Assistant Secretary level is primarily the responsibility of the Assistant Secretaries. But I believe that after a period of six to nine months it will be quite obvious what has been done.

Arab Oil Embargo

Q. Mr. Secretary, now that the Arab states have lifted their oil embargo against Europe and Japan and have restored some of the production cutbacks, when do you expect them to start supplying the United States with oil again?

Secretary Kissinger: I don't want to speculate on when the Arab countries will restore —will lift the boycott against the United States. As I have pointed out at several previous press conferences, the United States could understand certain actions by Arab countries at a time when the United States seemed to be—was supplying military equipment to one of the sides in a war. Now that the United States has publicly declared its commitment to bring about a just settlement, now that much of the progress that has been made toward a settlement can be traced to American actions, discriminatory measures against the United States become increasingly difficult to understand.

Q. Mr. Secretary, how much knowledge did you have, either before you left Washington or after you left Saudi Arabia, that the Arab nations were about to make a change in their oil-export policy to take Europe and Japan off the hook?

Secretary Kissinger: Well, I had no knowledge of this before I left Washington. And I had no precise knowledge of specific measures when I left Saudi Arabia, except that I knew that certain measures were under consideration.

Now, in analyzing the supply of oil, one has to consider that there are two problems involved. One is the problem of the embargo; the second is the problem of production. Lifting the embargo without increasing the production does not help a great deal, because it means that more nations would compete for an inadequate supply. So both of these measures have to go hand in hand. And on the whole, we consider it a positive step that production has been increased.

Q. Mr. Secretary, you seem to be expressing an increasing sense of irritation with the fact that Saudi Arabia, principally, has not lifted the oil embargo against the United States, though it has taken these other actions toward Europe and Japan. Was there some action that you expected to happen by now from the Saudi Arabians that did not? Do you link a possible action to the disengagement talks in Geneva?

Secretary Kissinger: I do not express an increasing sense of irritation. I am expressing the view that the United States has consistently taken and which I have expressed at every previous press conference; namely, that discriminatory action against the United States becomes increasingly inappropriate when the United States is the principal country engaging itself in the search for a just and durable peace in the Middle East. This is a position that has been taken by this administration from the beginning. It is not said in any spirit of irritation, but it is a statement of reality.

I do not want to say what I expected. But the view that I have expressed here is not caused by any disappointment about what I had been led to believe.

Q. Is there a link as well with the disengagement talks?

Secretary Kissinger: The U.S. position with respect to the oil embargo has been that we cannot discuss specific peace terms in relation to the lifting of the oil embargo,

that we can express our commitment to bring about a just and durable peace—or to help bring it about—based on Security Council Resolution 242. But as I have explained many times before, we cannot bargain individually with oil-producing countries and then enter into a peace conference in which the parties have to negotiate this process all over again.

Strategic Arms Limitation Negotiations

Q. Mr. Secretary, we have the impression that one of the problems with the SALT talks is that this government hasn't gotten its own ducks in a row. For example, do you go along with the apparent doctrine that was enunciated the other day by Dr. Schlesinger [Secretary of Defense James R. Schlesinger] which he called, for lack of a better name, "total equality"?

Secretary Kissinger: Well, how can you in an egalitarian society not accept total equality? I will agree with you that our government has not thought through all the implications of the problem of qualitative change. I agree with the phrase "total equality." But like all slogans, it does not supply its own answer. And I am certain that my friend Dr. Schlesinger would agree that once you have enunciated that doctrine you still have to give it content in terms of what it is that you want to have equal. Is it numbers, is it throw-weight, is it warheads, is it everything? How do you compare superiority in bombers to superiority in missiles? How do you compare the throw-weight or the carrying power of bombers with the throw-weight of missiles? These are the tough questions that have to be answered.

And I am frank to say that while we have developed positions, and while I believe our positions are better than those of the Soviet Union, we have not—there is not the conceptual basis for the SALT Two that existed over a decade of previous work with respect to SALT One. However, I am confident that as far as the U.S. Government is concerned this problem will be substantially overcome in the very near future and that if the Soviet Union is prepared to proceed we have a chance of meeting our deadline of 1974.

Q. Along those lines, Dr. Kissinger, about five or six weeks ago a senior U.S. official expressed the hope—I guess is the best word—that these problems you are talking about as far as both the Soviets and we are concerned would be settled by Christmas. Would it be fair to say, then, that these negotiations or your private discussions with Ambassador Dobrynin are behind schedule, and if so could you tell us why?

Secretary Kissinger: Well, there are some senior officials who get caught by giving too early deadlines. Whether a particular negotiation is on or behind schedule you can really only determine in retrospect, after it is completed.

We expect to make progress in clarifying the various points of view within our government in the very near future. And I believe, based in part also on conversations I have recently had, that the Soviet Union is working very seriously on the problem. How the various issues can then be reconciled remains to be seen. But I think everybody recognizes that the pace of technology is such that there is a certain urgency in pushing these negotiations, and they will be pushed.

Q. Is this what you have been discussing with Mr. Dobrynin in the last two days?

Secretary Kissinger: I never go into the discussions with Ambassador Dobrynin.

Q. On the same question, do you think it is still conceivable that President Nixon could go to the Soviet Union this summer, or would the SALT negotiations make it more feasible to go later in the year?

Secretary Kissinger: No date has been set, but the summer is certainly not ruled out.

Q. What do you think, though? Do you think you could have a SALT agreement by this summer?

Secretary Kissinger: Not with O'Leary [Jeremiah O'Leary, Washington Star-News] sitting next to you. I am not going to give

you another date on anything. [Laughter.]

Q. Mr. Secretary, are you satisfied by the degree of cooperation that you are getting from the Governments of Israel and Egypt and Jordan to get a peace in the Middle East?

Secretary Kissinger: I think that one of the results of the two trips that I have made into the Middle East is that the governments that you have mentioned now have a much clearer common understanding of what needs to be done. They are now talking from a common base. And I have no complaint about the cooperation that I have received from any of these governments, and I believe that there is a good possibility of progress.

Q. Dr. Kissinger, if you have found a way to coexist with the Soviet Union and China, what is there to prevent a détente or coexistence with Cuba? Do you have any plans for attempting to achieve a rapprochement with Cuba or on your trip will you go to Havana?

Secretary Kissinger: I certainly have no plan to go to Havana on any trip that I am now planning. And the major obstacle to rapprochement with Cuba has been the hostility of the Cuban Government and its commitment to a revolutionary policy throughout the Western Hemisphere.

The Middle East and U.S.-Soviet Détente

Q. Dr. Kissinger, you have talked and given us a more specific definition of "détente" and some of the limitations on détente. And you also referred to the interconnection between issues. I know you will not go into the discussions you've had with the Soviet Ambassador, but can you tell us in any more generalized way what the present interrelationship is of a solution of the Middle East crisis to the pattern of relationships with the Soviet Union—SALT, MBFR, these other issues?

Secretary Kissinger: Well, it is obvious that it is not possible for a country to exacerbate tensions in one area and to seek relaxation in another. This administration has consistently opposed the notion of selective détente, in which one area would be pacified while there would be very active conflict in another. Therefore, obviously we would have to judge the Soviet sincerity in seeking across-the-board relaxation of tensions by its behavior in all the negotiations in which we are engaged with it, including that of the Middle East.

Now, I want to repeat: I'm not saying this in any particularly challenging manner, because the Soviet behavior in the prelude to the Geneva Conference and during the first phase of the Geneva Conference has been constructive and has been recognized to be constructive by all of the parties there.

U.S. Relations With India

Q. Dr. Kissinger, one gets the impression that lately, since you took over, there has been a vast improvement in India-America relations. Is it possible for you to put your relations with India in perspective against the background of the global peace that you seek?

Secretary Kissinger: We have always considered, even during periods of difficult relationship—we've always considered India as one of the major countries in the world. It is a great democracy, and a great democracy in an underdeveloped country, that can be a symbol for many other countries. There is a long history of friendship between India and the United States. And we have no conflicting national interests. And therefore, as far as the administration is concerned, we have made—you are quite correct—a serious effort to improve our relationship with India.

I believe this effort has been reciprocated. One of its tangible expressions has been the recent rupee settlement, which we consider the beginning of a continually improving relationship.

Q. Mr. Secretary, if you get the kind of progress that you're talking about in disengagement, would it entail a quick opening of the Suez Canal? And do you consider that to be one of the principal Soviet objectives at this stage of the negotiation?

Secretary Kissinger: I believe that—first, I don't want to speculate about what the specific terms of a disengagement scheme would be; but I do not believe that opening of the Suez Canal, however advantageous it might be to any of the parties, is the principal objective of the Soviet Union.

I want to stress also that much of the diplomacy that has preceded the opening of the Geneva talks was not one that was organized between us and the Soviet Union but was developed on several trips through the Middle East by myself, on behalf of the administration, and in direct relationship with the parties in the Middle East. The Soviet Union has supported these efforts. But it was not a solution that was achieved between Moscow and Washington and then handed to the parties in the conflict. Much of it has emerged out of the discussions that took place at kilometer 101 between the Egyptians and the Israelis without either U.S. or Soviet participation. So I do not believe that the principal Soviet interest would be the opening of the Suez Canal, even if that should turn out to be one of the results.

Worldwide Problem of Terrorism

Q. Mr. Secretary, a two-part question, if I may. In view of Kuwait's refusal to extradite to Italy the Palestinians who were the self-admitted murderers of 16 American citizens, in view of Kuwait's continuation of the oil embargo, how is it that we have reports that we have planned, as a nation, to supply this nation with continued military aid as well as agricultural products? That's the first part of the question, sir.

Secretary Kissinger: My understanding is that there is a plan to extradite these terrorists to the so-called Palestinian Liberation Organization, which has promised to punish them severely.

Now, our interest is that this terrorism be ended, and the United States has made strong representations to that effect. With respect to other measures, they will have to await the actions of the Kuwaiti Government on other fronts, but we have not yet seen any reason to terminate them.

Q. Well, in connection with his promise to punish them severely, I seem to recall your predecessor Secretary Rogers asked for the death penalty of those Palestinians that murdered Ambassador Noel last March. I checked with your Sudan desk this week and find that these terrorists have not even been brought to trial. Now, in consideration of that and reports that a group similar to this —or possibly the same group—planned to assassinate you, what is the administration prepared to do about this, other than regret it or plead for aviation security, usually in vain?

Secretary Kissinger: Well, the administration has taken a very strong stand against any attacks on me. [Laughter.]

But our position on terrorism is clear. We believe that it is a worldwide problem that must be stamped out. We will renew our efforts to achieve a multilateral agreement which puts teeth into the enforcement of antiterrorist activity. But I do not want to comment on every individual action of every government concerned.

New Element in Strategic Arms Equation

Q. Mr. Secretary, the answer may be in your responses here; but the thing that I am still uncertain about is that, you will recall, in that saloon in the basement of the National Hotel in Moscow, when you briefed us on the SALT agreement, there was a certain amount of optimism about the future with respect to offensive nuclear weapons. I acknowledge it was qualified optimism. Now, who is responsible for the fact that things have not gone quite as well as you thought at the time? Now, if the premise of my question is wrong, why, the answer is inoperative —I don't know. [*Laughter.*]

Secretary Kissinger: Well, I think one would have to look again at the transcript of that press conference in order to be able to

determine what is meant by the phrase "It has not gone as well as one hoped."

The agreement that was made in Moscow in 1972 was supposed to last for only five years. And it was to permit the negotiation of a more permanent agreement.

It was recognized at the time that the problem of the multiple warheads would soon come to the fore. If the strategic problem had remained what it was in 1972—that is to say, individual weapons with individual warheads—the situation would have been essentially stabilized by that agreement.

The new element in the equation is the rapid evolution of technology, coupled with improvements in accuracy that have—even within the limits of that agreement—produced vulnerabilities, perhaps a year or two more rapidly than one expected at the time.

When I was a professor, I used to study the issue of arms control. All of the theoretical thinking was concentrated on the problem of quantity, how to get control of quantitative change. How to master technology really has no good theoretical base. When we started the first SALT negotiations, there was a vast literature on which one could draw for an understanding of the problem of numbers.

So if things have not gone as well—which I wouldn't quite concede—if we are now facing new problems, it is not because anyone has done anything wrong. It is simply because technology has been accelerating at a rate that threatens to outstrip the capacity to control it.

Q. Technology has been accelerating from the Russian side, not from our side?

Secretary Kissinger: Well, it's been accelerating on both sides, but especially on the Russian side.

Q. To follow up, Mr. Secretary—

Secretary Kissinger: This young lady here has been very patient, and then we'll get the next question.

Q. Thank you, Dr. Kissinger. Also a two-part question. I hope I can get a two-part answer.

Secretary Kissinger: You'll probably get a five-part! [Laughter.]

Process of Middle East Negotiations

Q. First of all, what can you tell us of the fate of the Israeli POW's in Syria? And, secondly, what concessions do you expect Israel to make in the Geneva talks?

Secretary Kissinger: With respect to the Israeli prisoners in Syria, the United States has of course strongly supported their release and the provision at least of lists to the Israelis.

It is not correct—as has been pointed out—that we promised this as a condition of the cease-fire, though we did indicate that we had been given to understand that a major effort would be made after Israel had already accepted the cease-fire.

Nevertheless, the United States supports the fact that the lists should be produced and that the prisoners should be released as rapidly as possible.

Q. Are they still alive?

Secretary Kissinger: We have no independent information. We have no information that would indicate that they are not alive, but we have really no information of any kind—that is, of an independent source.

What was the second one?

Q. What do you expect the Israelis to do?

Secretary Kissinger: We are not approaching the problem of negotiations by drawing up a list of concessions that either side should make. What we have attempted to do is discover, as honestly as we could, on these trips through the Middle East, what the minimum requirements of each side were and then attempt to bring these into some relation to each other.

To the extent that the parties have talked to each other, as the Egyptians and Israelis have on kilometer 101, some rapprochement

has developed out of the process of negotiation; but we are not starting with an abstract list of concessions which we are then asking any country to make.

There was a followup question.

Q. Yes. Mr. Secretary, you spoke just earlier of the lack of a conceptual basis for SALT Two to be one of the problems and then expressed confidence that this problem would be overcome in the very near future. Do you mean within our own government only, or do you expect that perhaps in the near future there will be some agreement on a conceptual basis for SALT Two between the Soviet Union and the United States, as there was on a conceptual basis for SALT One in, I think, the spring of 1971?

Secretary Kissinger: I hope for both. But of course there have to be two stages. First, we have to clear up our own thinking. But don't let me leave you with a misconception. The United States made a proposal last year which was perfectly adequate from our point of view and which reconciled many different points of view within our government.

As you progress in a negotiation, you always face the problem then of getting down to the essentials. And as we are getting down to the essentials, the need for a new conceptual base, or a more refined conceptual base, has become apparent.

Presidential Determination on Fishing Boat Seizures

PRESIDENTIAL DETERMINATION NO. 74–8 [1]

TRANSFER OF FOREIGN ASSISTANCE FUNDS PROGRAMMED FOR ECUADOR AND PERU

Memorandum for the Secretary of State

THE WHITE HOUSE,
Washington, December 11, 1973.

Pursuant to the authority vested in me by Section 5(b) of the Fishermen's Protective Act of 1967, as amended, I hereby certify that it is in the national interest not to transfer to the Fishermen's Protective Fund established pursuant to Section 9 of the Fishermen's Protective Act of 1967, as amended, funds from the Foreign Assistance Act of 1961 programmed for Ecuador and Peru in the amount of $2,305,416, which amount is equal to the amounts reimbursed by the Secretary of the Treasury in accordance with Section 3 of the Fishermen's Protective Act of 1967, as amended, for the twenty-two fishing boat seizures each by Ecuador and Peru occurring during the period November 12, 1972 through February 10, 1973.

You are requested on my behalf to convey this determination and certification to the Congress, as required by law.

This determination shall be published in the FEDERAL REGISTER.

Richard Nixon

[1] 38 *Fed. Reg.* 34799.

In this article adapted from an address he made before the New York Chapter of the Public Relations Society of America on November 14 at New York, N.Y., Mr. Keogh discusses the programs of the United States Information Agency in fulfilling its work "of explaining our country and our people, of correcting or minimizing misunderstandings that clog or contaminate relations between the United States and other countries."

Information and Modern Diplomacy

by James Keogh
Director, United States Information Agency

What in the world is the United States Information Agency?

In the world, it is a multifaceted tool of modern diplomacy with a well-defined role in U.S. foreign policy.

In the United States, it is so little known and understood among the general public that even well-informed people are uncertain about what it is and what it does.

When I was nominated to be Director of USIA a little less than a year ago and my friends came around to congratulate me, I soon discovered that many of them were not quite sure just what it was that I was going to do. Some thought I was going to run the CIA, while others thought surely U.S. Information must have something to do with the Library of Congress. Some were as confused as the distraught woman who called our Paris office in an effort to determine the whereabouts of her husband, who had failed to return to their hotel after a night on the town. She thought that surely the U.S. Information Agency ought to know what he was up to.

This lack of information about the Information Agency is largely the result of legislation which specifically forbids the USIA to disseminate within the United States the information and media products it distributes abroad. There is a sound rationale for this legislation. Its aim is to prevent USIA from becoming an internal propaganda force in the service of a sitting administration. Yet its effect has been to keep the American public too much in the dark about what USIA does. We are now trying—by strictly legal means—to throw some light on the subject.

My interest in attempting to inform the rest of the world about the United States goes back a good many years. This interest was cultivated in the trips abroad that I took during my incarnation as an editor of Time. I recall flying from Honolulu to Sydney, Australia, a decade ago and stopping on the way at Nandi in the Fiji Islands. I walked into the lobby of the quite modern airport and saw a booth with a sign that read Fiji Chamber of Commerce. An attractive Fiji girl was in charge of the booth. Using up some of that airport waiting time, I struck up a conversation with her.

"Are you going to stay here long?" she asked, in a polished British accent. "No," I said, "we will leave just as soon as the crew gets the plane serviced. This is just a stopover." "Where are you from?" she asked. At that point, I drew myself up with some pride and I said, "I'm from the United States—from New York City." She seemed thoughtful, even puzzled, for a moment and then she said, "Ah, yes, New York City. I think that's

where one makes a stopover on the way to London."

It was on this same trip, I recall, that I hired a car and driver so that my wife and I could travel through the outback surrounding Brisbane. It was a warm afternoon in January, and as we came to a small town I suggested to the Australian driver that we stop for something to drink. Searching for a place along the street, I saw a familiar sign and said, "Well, there's a Coca Cola sign. Let's stop there. It looks just like home." The driver turned to me with what seemed genuine surprise and said, "Oh, do you have Coke in the States, too?"

Experiences such as these—and others with more depth but less anecdotal value—tended to punctuate my feeling that a strong information program is of great importance to the United States. This is not a new idea. From the time of the American Revolution the United States has employed information activities in one way or another to produce an impact in other countries. The merits of the American cause were argued abroad in the 18th century by a talented team of communicators, headed by a wily old PR man named Benjamin Franklin. During the Civil War the Union actively sought support from antislavery elements in Europe. At one point, Abraham Lincoln even addressed an open letter directly to the people of England.

If the history of American efforts to influence foreign opinion is a long one, doubts about the importance or even the existence of public opinion are equally venerable. The Declaration of Independence, we recall, enjoins us to show a decent respect for the opinions of mankind. Dean Acheson wrote in 1965: "World opinion simply does not exist on matters that concern us." In his column a short time later, Walter Lippmann replied:

> It is fashionable in certain circles to dismiss scornfully a serious concern about what foreign nations think of us. This is a reaction to the naive and often silly American wish to be loved by everybody. But the reaction has gone much too far. For it is not true that in the real world of affairs a great power, even the strongest, can afford to ignore the opinions of others. It must have friends who trust it and believe in it and have confidence that its power will be used wisely.

It was precisely to nurture such friendships that USIA was established in 1953 as the first separate U.S. Government information service with a mission of presenting the American case abroad during times of relative peace. Through the two decades of USIA's existence, the nature of its mission has evolved with the times. It is evolving now—perhaps more than ever.

Communications Channels and Activities

What is the mission of the U.S. Information Agency? As I see it, the mission is to support U.S. national interests by:

—Conveying an understanding of what the United States stands for as a nation and as a people and presenting a true picture of the society, institutions, and culture in which our policies evolve;

—Explaining U.S. policies and the reasons for them; and

—Advising the U.S. Government on the implication of foreign opinion for the formulation and execution of our foreign policy.

To do this we use all available means of communication.

The largest element in USIA is the Voice of America, the radio arm of the Agency. It broadcasts in 36 languages around the world to an adult audience of many millions.

USIA produces or acquires some 150 film and television documentaries annually for showing overseas. The vast majority of these productions are acquired from commercial sources. In addition, a variety of special-targeted programs and many newsclips are produced for foreign television. We also help television and film producers from other countries who want to do pieces about the United States.

We radioteletype texts of official policy statements and interpretive material to 127 overseas posts five days a week. Receiving the texts of such papers on an almost immediate basis is often of crucial importance to U.S. representatives in dealing with both the

governments and the media in the host countries.

Special articles written by our staff and reprints from U.S. publications are regularly mailed to posts for placement in local media and for background information and use by Embassy officers.

We publish magazines in 27 languages and distribute them in 100 countries.

Every year we build and circulate abroad some 50 exhibits about life in the United States.

We maintain or support almost 300 libraries in information centers, reading rooms, and binational centers in 98 countries. These libraries are used by about 12½ million people each year.

The educational and cultural exchange programs which USIA administers abroad for the State Department form another vital element in the effort to communicate with people around the world.

Of course, the most important and effective means of communication we have is the personal contact between our officers in 109 countries and local opinion leaders. I recall Edward R. Murrow's remark, when he held the position that I now occupy, that USIA could easily and immediately transmit information 25,000 miles around the world. The difficulty, he noted, is in conveying it the last three feet. That is the all-important job of our overseas officers.

These various communications channels and activities are brought together in a unified coordinated program by means of Country Plans drawn up by our posts overseas, cleared by the Ambassador, and finally approved by our headquarters in Washington and the Cultural Affairs Bureau of the State Department.

The need for this kind of public diplomacy is widely recognized by the nations of the world. Back in 1954 a British study commission reported:

> A modern government has to concern itself with public opinion abroad and be properly equipped to deal with it. . . . The information services must today be regarded as part of the normal apparatus of diplomacy of a great power.

Picking up that cue, other major countries, including the Communist governments, have steadily expanded their cultural and information programs during the last decade. For example, appropriations for the French external cultural and information program reached $430 million in 1971—more than double the 1961 level and more than twice the size of USIA's present budget. West Germany has increased its spending for this purpose substantially in recent years, and last year it reached $300 million, which is 50 percent more than our budget. While no solid figures are ascertainable, it is estimated that the Soviet Union has expanded its cultural and information programs to the point at which it is spending almost $1 billion annually, an effort that dwarfs the U.S. commitment for this purpose. While all this has been going on, USIA resources have been shrinking. In real dollar terms, the USIA budget for this year is approximately the same as it was in 1953.

This imbalance, to put it mildly, keeps us on our mettle.

New Tasks and New Techniques

In recent years, the environment in which we operate has changed tremendously—in both technological and political terms. This inevitably conditions our tasks as well as our methods of functioning.

One change has been the extraordinary expansion of new techniques and channels of communication. Technical developments such as transistor radios, satellite telecasting, video cassettes, videotape recordings, computer data banks, and so on, have been matched by the expansion around the world of television and radio networks, news agencies, and non-media channels of communication involving business, tourism, and professional and scholarly contacts.

In this general area, I would like to mention just one of the new devices USIA is using. We call it the electronic dialogue. The first step in this process is the taping or filming of a speech or statement by a high government official or a distinguished leader

from the private sector or academe discussing the discipline in which he or she is expert. A USIA post overseas will then gather that country's leaders in the field under discussion—men from government, the private sector, and academic life. They will watch the tape or film and then through a special international telephone connection will question and discuss the subject with the speaker for as much as an hour or more. On important matters of U.S. policy in which the other country has a mutual interest, we have found this to be a highly effective means of communication.

Some critics of USIA take the position that in this day of rapid and saturated communication there is no longer any need for a U.S. information effort. Why, they ask, is it not possible to just let the regular news media take care of all that?

There are very fundamental reasons why the news media—here or abroad—cannot be expected to perform the information function for the U.S. Government. By its very definition, news is the unusual. The media, which are essentially and properly commercial enterprises, tend to highlight the special, the spectacular, and the bizarre, with a heavy tilt toward the negative. The broad sweep of the normal ongoing endeavors, developments, and achievements of a society do not make very exciting headlines or bulletins. The news media have no desire to be the platform for official statements or explanations of U.S. policy. Replying to foreign critics is not their job. Nor have they any financial incentive to attempt to communicate with people in closed societies or underdeveloped nations. As a result, it is often a confused and distorted image of the United States that reaches foreign eyes and ears and becomes an element in the balance sheet of our foreign relations. A continuing effort to explain the facts and underlying principles of our actions and policies and to correct the willful or unintentional distortions about our country abroad is the daily and vital task of USIA.

The task has become more complicated as the political atmosphere in which we function has changed. Some quite rapid changes have brought new opportunities as well as new problems. While a new climate for relations with the Soviet Union and China has been developing, there has been an undeniable erosion of old relations with some of our major allies. New problems have arisen; perceptions of national interest are changing. In Western Europe there is a generation of adults with no memory of World War II and the contribution of the United States to the defense and subsequent reconstruction of their countries.

This changed American relationship with Europe was aptly explained by Congressman Benjamin Rosenthal of New York as he was speaking to a group of parliamentarians from the Common Market countries. He said that too many Americans still seemed to believe in "grandmotherly diplomacy—the idea that we have a delightful, charming, dependable and unique relationship with Europe because all of our grandmothers and great-grandmothers came from Europe. We can't rely on our grandmothers anymore. We must rely on ourselves."

Fostering Dialogue With Eastern Europe

As our government seeks to resolve differences through negotiations and engage former adversaries and old friends in constructive dialogue, USIA must attempt to foster a better and more extensive understanding of our purpose and policies. We must simultaneously listen attentively to the views and opinions of others, for an important part of our job is to make U.S. policymakers aware of the attitudes, aspirations, and fears of other nations on issues of mutual concern.

It is obvious that the policy of negotiation rather than confrontation, and the reality of détente, have presented the United States and the world with new opportunities for constructive dialogue which the USIA is in a unique position to foster.

In the Soviet Union and Eastern Europe, the officials and the people are much more receptive to our traveling exhibits than

before. During 1973 we have shown eight major exhibits in six countries in that part of the world, dealing with American approaches to research and development, outdoor recreation, progress and the environment, educational technology, and auto life—an exposition of the way the automobile has affected the social, industrial, and environmental aspects of American life.

More than 2¼ million people visited these exhibits. The Soviet Union not only cooperated with us in staging these exhibits but, for the first time, even accorded them a guarded measure of favorable publicity. In addition, we also displayed nine exhibits of American fine arts in five Eastern European countries.

In September I went to the Soviet Union to open our exhibit on outdoor recreation in the city of Irkutsk. The reception we were accorded in Moscow, Leningrad, and Irkutsk could not have been more cordial. The Soviet officials and people that I met gave the genuine impression that they were deeply interested in wider informational and cultural exchanges with the U.S. Government. Some of the officials may not have been entirely comfortable with the idea, but there seemed to be no question of their interest.

In Irkutsk, a city in the heart of Siberia, a city with a tradition of 300 years and a present that is filled with dramatic growth, our exhibit was the center of intense interest. It was welcomed with the greatest warmth by the Mayor of Irkutsk, a 50-year-old local patriot deeply concerned about the growth and development of the city where he was born. He had visited the United States, especially the Pacific Northwest. As he showed us the illuminated chart of the plan for his city's development, he expressed one great goal: to make Irkutsk just like Seattle. I firmly believe that the importance of this kind of communication to the future of international relationships—indeed, to the future of civilization—cannot be overestimated.

Perhaps of the greatest significance in our new communications relationship with the Soviet Union is the fact that the U.S.S.R. no longer jams the Voice of America. After five consecutive years of steady jamming, the electronic blockade ceased last September 10. This presented us with a new and vastly larger audience within the Soviet Union than we had before. When I was in the Soviet Union, the Voice of America was coming through loud and clear in Moscow, in Leningrad, and in the heart of Siberia. An American correspondent living in Moscow told one of our officers that Russians he knows now consider it an "in" thing to listen to the Voice and do so openly at home and even on the street. Our spacemen in Moscow on the Apollo-Soyuz project have been told by their Russian counterparts that they and others in the scientific community now regularly listen to the Voice. The Russian-speaking guides with our traveling exhibits report a vast increase in VOA listenership.

While détente has thus given us new and welcome opportunities for communication with the countries of Eastern Europe and the Soviet Union, it would be naive—indeed, foolhardy—for us to assume that all differences between our countries are about to be wiped out. Clearly there is no end to competition either in the political sphere or in the realm of ideas. General Secretary Brezhnev [Leonid I. Brezhnev, General Secretary of the Communist Party of the Soviet Union] himself said of the new relationships: "The successes of this important matter do not signify in any way the possibility of relaxing the ideological struggle." In this struggle, while we eschew polemics and the rhetoric of the cold war, we must meet international competition by insuring that a clear and balanced picture of the United States and its policies gets through abroad, both to those who make decisions and the public at large.

In larger focus, the opportunities and challenges presented by this set of circumstances were placed in historical context by Secretary of State Henry Kissinger when he said:[1]

> We are at one of those rare moments where through a combination of fortuitous circumstances

[1] For Secretary Kissinger's address before the Third Pacem in Terris Conference at Washington on Oct. 8, 1973, see BULLETIN of Oct. 29, 1973, p. 525.

and design man seems in a position to shape his future. What we need is the confidence to discuss issues without bitter strife, the wisdom to define together the nature of our world, as well as the vision to chart together a more just future.

Information Support for Economic Programs

In another way, changing world circumstances have placed new demands on the foreign affairs structure of government. As national priorities shift, USIA is shifting the emphasis of its own programs to lend information support to new foreign affairs objectives. Toward this end, and while still carrying on our larger and traditional role, we have launched a program to help improve the U.S. balance of payments in trade and tourism. I have called on Agency personnel in more than 100 countries to support the trade and promotion programs of the Department of State and Commerce. We seek to portray the United States as an attractive place to visit, and we report on scientific and technical achievements, including the research and development of new techniques and products. USIA officers abroad will inform local businessmen about U.S. products and services available. Our organization will carry on an intensive effort to keep the U.S. position strong in the world trade. We look forward to closer cooperation with the private sector in this effort.

We see this part of our mission as going beyond the issue of the balance of payments —as important as that issue is. President Nixon recently expressed the wider view when he said:[2]

> . . . trade leads to communication between peoples, not just governments but peoples. . . . I believe that as we increase communication between peoples at all levels, the opportunity of discussing differences rather than fighting about differences is greatly increased.

Recently an old friend of mine—a journalist—looked at me with an expression that can only be described as pity. "You must be having a terrible time," he said. "How can you possibly find anything good to say about the United States these days?"

That point of view touches on a phenomenon that I believe is of the greatest significance for the picture of the United States which we deliver to the rest of the world. We must be careful not to be so obsessed with the short-term negatives in our society that we are blinded to the long-lasting positives. In telling America's story to the world, USIA does not try to say that this is a society without troubles. It would be ridiculous for us to do so. Hardline propaganda is a relic of the past. We try to explain what is happening in the United States in a way that is factual and with a perspective that places events in the context of the general thrust of the American society.

What was on my friend's mind, of course, was that subject that seems so all-encompassing: Watergate and related matters. On our news programs on the Voice of America, we report the story of the Watergate affair fairly and factually. We do not, however, deal in rumor, hearsay, speculation, or anonymous accusations. When I set that policy some of my old friends in the news media complained that I had turned censor and was somehow suppressing the truth because I would not allow rumor, hearsay, speculation, and anonymous accusations to run at full stream on the Voice of America. It seemed to me the only responsible policy for the Voice to follow in reporting this story to the rest of the world.

In explaining what is happening in this country as a result of the Watergate affair, we try to make the point to our overseas audiences that what they are seeing and hearing is this free and open society working out a problem. Charges against people in high places have been brought forward and extended largely by the free press. These charges are being investigated by the legislative branch, through the Senate select committee, and by the judicial branch, through the grand jury system. The interplay of all these forces in our society—the free press, the executive branch, the legislative branch,

[2] For President Nixon's remarks before the President's Conference on Export Expansion at Washington on Oct. 11, 1973, see BULLETIN of Nov. 5, 1973, p. 553.

the judicial branch—is being carried out very much in public. Ultimately the problem will be resolved. Whatever remedial steps may be necessary will be taken, and the society will move on. While some of our friends abroad are appalled at what they see as a nation publicly destroying its own image, our unhysterical explanation of the free and open working of this society strikes a remarkably positive and calming reaction among the sophisticated in some lands where such openness is unknown.

While it seems at times difficult to avoid being obsessed with the negatives that batter our eyes and ears here at home, we at USIA cannot lose sight of the fact that the problems faced on many issues in many other countries make our own seem relatively minor. Take, for example, the omnipresent matter of the cost of living and inflation. It is a fact of life that a typical factory hand in Britain, France, or West Germany—to cite some of the most prominent—must work approximately twice as long as one in the United States to buy a home, a car, a washing machine, a television set, or a dozen eggs. As for inflation, the increase in the consumer price index from July 1972 to July 1973 was less in the United States than in any major developed country. Shortages? Our complaints about shortages would be incomprehensible to many relatively advanced societies of the world which have never known the plenty we have come to consider a right.

In these volatile days, we even hear now and then that our country is adrift on the international seas. But what country was it that served as the catalyst in the effort to bring peace to the Middle East—however difficult and unending that effort might be? Which country is it that, amidst new tensions, was able to maintain and move toward greater development of its new relationships with old adversaries with approaches for lasting peace?

Keeping as clear a perspective as we can, we at USIA see our foreign communications activities as part of a permanent long-range process whose effects are cumulative. Whether our officers are broadcasting on the Voice of America, or editing a magazine in Arabic, or scheduling a performance by Duke Ellington in Moscow, or setting up an exhibit in Bulgaria, or arranging a lecture by a Fulbright professor in New Delhi, or assisting a French TV producer to plan a series on American environmental programs, or giving the facts about U.S. trade policies to a Japanese editor, it is all part of the same effort: the extremely important work of explaining our country and our people, of correcting or minimizing misunderstandings that clog or contaminate relations between the United States and other countries.

These day-to-day contacts give substance to the continuing dialogue with foreign audiences. By providing facts and points of view and the human dimension of personal relations, we broaden and strengthen this discourse. Collectively and cumulatively these efforts affect attitudes and shape perceptions of the United States.

On the occasion of his 75th birthday, U.S. Supreme Court Justice William O. Douglas expressed a view with which I am in wholehearted agreement, although I am sure that if I were privileged to sit in deliberations with the Justice he and I might find ourselves on different sides of many more limited issues. Justice Douglas said: "I think the heart of America is sound, the conscience of America is bright and the future of America is great."

This is the vision of the United States that we want to share and make comprehensible to the people abroad so that in our relations with other nations distortion and doubt will be replaced by confidence, respect, and understanding.

Senate Confirms Dr. Ehrlich for WHO Executive Board

The Senate on December 18 confirmed the nomination of Dr. S. Paul Ehrlich, Jr., to be the representative of the United States on the Executive Board of the World Health Organization.

U.S. Cosponsors Resolution Setting 1974 Work Program for U.N. Outer Space Committee

Following is a statement made in Committee I (Political and Security) of the U.N. General Assembly on December 7 by U.S. Representative Mark Evans, together with the text of a resolution adopted by the committee on December 10 and by the Assembly on December 18.

STATEMENT BY MR. EVANS

USUN press release 129 dated December 7

The First Committee is now considering the report of the most outward looking—and perhaps forward looking—organization in the United Nations family, the Committee on the Peaceful Uses of Outer Space.[1] And all of us must have been impressed by how this expanding peaceful activity in space continues to enlarge man's intellectual horizons.

Just this week Pioneer 10 has fired our imaginations as it sped past Jupiter at more than 96,000 miles an hour, giving mankind its first closeup view of that giant planet. We eagerly await the analysis of the images and other data that Pioneer 10 has sent back and has still to transmit as it continues its voyage past the farthest reaches of the solar system and beyond.

Pioneer 10 demonstrates mankind's ingenuity in devising technology to do his work in the vast distances of space still far beyond his reach. This month man himself will make his unique contribution to our knowledge of the universe when the Skylab astronauts take advantage of an unparalleled opportunity to observe the comet Kohoutek. With the instruments on Skylab, they will be able to observe the comet when it is closest to the sun and at its brightest. At that time, ground-based observations will have very limited scope because of scattered sunlight in the atmosphere. The astronauts will also be able to react to such transient events as the sudden flaring and changes in shape that are characteristic of comets.

But space research does far more than help man see himself and the universe truly and in perspective, important as that may be. Space research promises to improve the quality of life on earth as well.

We are reminded daily of how space meteorology and communication help us in our life and work here on the earth's surface. Participating in the World Weather Watch, over 70 countries now make direct use of data from U.S. weather satellites. Communications satellites such as Intelsat link peoples and continents instantaneously.

More and more, we are learning of the promise of a new form of earth-oriented space technology: remote sensing by satellites. To see if this promise can become a reality, scientists from 37 countries and two international organizations (the U.N. Food and Agriculture Organization and the U.N. Economic Commission for Asia and the Far East) have, along with scientists in the United States, initiated investigations on the basis of data from the Earth Resources Technology Satellite ERTS–1 and the Earth Resources Experiment Package on Skylab. Brazil has joined Canada in establishing its own earth resources data acquisition and processing facilities, and other countries have expressed interest in doing the same.

[1] U.N. doc. A/9020.

One result of the investigations to date bears significantly on studies of the long drought in Sahelian Africa: the location of subsurface water in close proximity to usable soils.

We take particular note also of India's upcoming experiment in instructional television by satellite. Using the ATS–F satellite [Applications Technology Satellite], which the United States will make available for four to six hours a day during the experiment, India in 1975 will transmit its own programs, primarily on family planning and agricultural production, from its ground station at Ahmadābād via the spacecraft directly to some 2,000 specially equipped village ground receivers.

The United States takes great pride in the degree to which our national space program is based on cooperation with other countries. That pride is based not only on our commitment to the principle of cooperation but especially on our conviction that we have a better program because of it. The participation of other nations in remote sensing investigations, in the development of satellite meteorology and communications, and in scores of other flights and ground-based projects in space science and applications underlines the point.

Expanding U.S. Cooperative Space Research

We are pleased that during the past year the scope and depth of cooperation in space research was extended significantly.

A prime example is the Apollo-Soyuz Test Project, the joint U.S.-U.S.S.R. flight in 1975 to test compatible rendezvous and docking systems. Flight crews have been named, and joint training has begun. U.S. and Soviet docking system development units are undergoing joint testing; and a host of operational details have been worked out, such as trajectories, control center operations, and crew activities. At a joint midterm project review in October, senior representatives of NASA and the Soviet Academy of Sciences confirmed that all joint working group activities were on schedule and that the mission could be expected to proceed on as planned. Our astronauts have just returned from the U.S.S.R.

Also particularly worthy of note is the recent agreement between NASA and the European Space Research Organization which provides for development by Europe of a manned orbital laboratory, called Spacelab, for use in manned missions with the NASA Space Shuttle. ESRO will design, develop, manufacture, and deliver to NASA a Spacelab flight unit on behalf of the nine European countries which are funding the $400 million effort. Spacelab will play an important part in realizing the full potential of the shuttle. Its development will employ European skills on the frontiers of space technology. It will be available to many countries. Its availability will provide the first opportunity for experimenter astronauts from other countries to follow their American counterparts into space and take advantage of that environment in their work.

In addition to the joint manned mission and Spacelab projects, we are moving ahead on bilateral satellite and sounding rocket projects, as well as arrangements for launch services, with a number of countries. In all these activities the United States is guided by an underlying policy favoring the broadest possible international cooperation in the peaceful uses of outer space. This policy was first proclaimed by President Eisenhower, and it has been consistently upheld through all succeeding administrations. John F. Kennedy enunciated it with characteristic eloquence a decade ago when, in praising the accomplishments of pioneer astronauts Yuri Gagarin and Alan Shepard, he said:

> We have a long way to go in the field of space. . . . But we are working hard and we are going to increase our effort. In addition, we are making available the scientific information which we have gathered to other scientists in the world community and people who share our view that the probe into space should be peaceful, and should be for the common good, and that will continue to motivate us.

Motivate us it has and does. Just next week in Washington a symposium will convene to evaluate further the results of the ERTS–1 experiments, which, as I have noted, reflect international participation. The symposium

is thus the latest fulfillment of President Nixon's pledge to this Assembly that the United States will share the benefits of our earth resources survey program as it "proceeds and fulfills its promise."

Before leaving this survey of our cooperative activities in space, Mr. Chairman, I would like to extend my delegation's thanks for the many kind words addressed to us by previous speakers concerning those activities and U.S. space accomplishments generally. Once again, we consider that in a very real sense they all belong to mankind.

U.N. Scientific and Technical Programs

Turning now to the work of the United Nations in outer space affairs during the past year, let me say at the outset that my delegation thinks the results have been on the whole positive. The work, as we know, is concentrated in the Committee on the Peaceful Uses of Outer Space and its subsidiary bodies, which have had a busy year.

The Working Group on Remote Sensing of the Earth by Satellites held its first substantive session. The Working Group on Direct Broadcast Satellites met for the first time since 1970. The Scientific and Technical and Legal Subcommittees held their regular sessions. All made progress.

The Working Group on Remote Sensing, in our view, achieved a proper perspective for the next phase of its work when it recommended the creation from its ranks of a specialized task force to identify, study, and analyze possible alternatives for international dissemination and optimum utilization of environmental and resources data, keeping in mind the requirements for such data of developing countries. The overall purpose will be to promote the best possible use of remote sensing technology for the benefit of individual countries as well as the international community.

My delegation is gratified that this suggested approach was approved both by the Scientific and Technical Subcommittee and the parent committee and that, with the approval of the General Assembly, the task force is to convene early next year. We think this practical, pragmatic approach is the best one to take at the present stage of remote sensing technology. The United States hopes to make a worthwhile contribution to the task force study.

Besides reviewing the work of the Working Group on Remote Sensing, the Scientific and Technical Subcommittee focused on the U.N. program on space applications, taking particular note of the report of the Expert on Space Applications, Dr. [H. G. S.] Murthy, of India. The subcommittee approved continuation of the Expert's work on what we regard as a satisfactory, if not ideal, basis, keeping in mind the financial straits in which the United Nations finds itself. I want to take this occasion, however, to reiterate my government's continuing support for Dr. Murthy and his program, which is well calculated to bring wider awareness of the prospective benefits of space applications to countries in varying stages of development.

The Working Group on Direct Broadcast Satellites was asked to consider new developments in the field since it last met in 1970. It had considerable ground to cover, and at the same time many delegations wanted to record their views in general debate. While relatively few conclusions were reached, the broad exchange of views clarified positions and resulted in generally acceptable guidelines for the working group's next session in spring 1974.

Delegations are of course aware that views differ on the question of possible principles on direct satellite broadcasting. The United States continues to believe that any meaningful consideration of such principles must also take relevant technical and economic factors into account. We are confident that the working group will do this in light of paragraphs 77–79 of its report,[2] as endorsed by the Outer Space Committee.

Treaties on Registration and the Moon

Let me now turn, Mr. Chairman, to a look at the work of the Legal Subcommittee, about which some delegations have expressed

[2] U.N. doc. A/AC.105/117.

a degree of disappointment. We share their regret that it proved impossible for the subcommittee to complete the text either of the convention on registration of objects launched into outer space or of the treaty concerning exploration and use of the moon, planets, and other bodies of the solar system.

I refer to the latter treaty in this fashion deliberately, since it is our understanding that such an expansion of the scope of the original draft treaty on the moon has been agreed to in principle. In this connection I would like to reiterate my delegation's appreciation to the distinguished Representative of Sweden for having originally brought before us the cogent argument in favor of this limited extension of the reach of the treaty. Especially in view of the planetary exploration going on right now and projected for the near future, we cannot see any reason why rules applicable to the moon should not apply also to other bodies of the solar system.

Regarding the issues which still remain unresolved in this treaty, my delegation continues to hope that the most difficult of these —concerning possible future exploitation of natural resources—can be resolved. I would note that the persisting differences relate only to that period before an appropriate and mutually acceptable international regime for resource exploitation comes into effect. There seems to be no disagreement that such a regime should be established.

Besides the resources question, it appears that only two other issues in the treaty are outstanding. These concern the timing of international notification of planned missions to the moon and other celestial bodies and the way in which the scope of the treaty is to be formulated. We continue to believe that once the resources issue is solved, the others should be within our ability to settle.

The Legal Subcommittee came even closer to final agreement on the treaty on registration of objects launched into outer space. The United States, responding to the stated interests of other delegations, took a very active part in the subcommittee's negotiations on the registration treaty, even though we had not been previously convinced of the need to change the present system of voluntary registration submissions to the Secretary General of the United Nations.

Showing the will toward mutual accommodation that has long characterized the work of the Legal Subcommittee, the negotiators made great progress. At the end of the subcommittee's session, only one issue remained: the question of external marking of objects launched into earth orbit or beyond. My delegation's views as to the lack of utility of such a provision are familiar; I would only repeat that we do not consider that a marking requirement could help in identifying a space object that might return to earth and cause damage, which we view as the basic purpose of a registration treaty. We hope that this point of view will in the end be persuasive to those members which up to now have regarded a marking provision as necessary.

Mr. Chairman, in view of such substantial areas of agreement in the draft treaties on registration and on the moon and other celestial bodies, it is only logical to assign the highest priority to efforts to complete them at the Legal Subcommittee's next session. We therefore support the approach set out in operative paragraph 5 of the draft resolution contained in document A/C.1/L.669, of which my delegation is a cosponsor. And we agree with the scale of priorities for other items on the subcommittee's agenda as set out in operative paragraphs 6–8. I should like to record my delegation's genuine appreciation to the drafter of the resolution for accurately reflecting the delicate balance of different views and interests in relation to these items.

In fact, Mr. Chairman, it is our view that the draft resolution as a whole sets out the work program for the Outer Space Committee and its subsidiary organs for 1974 and appropriate guidelines for the relationship between the committee and other U.N. bodies in a fair, balanced, and comprehensive way. We believe this committee should unanimously recommend adoption of the resolution by the General Assembly.

Mr. Chairman, I conclude with a personal remark. I recognize that what I am about to say has something in it of gazing into the crystal ball. But since space activity has

been born and developed so far so rapidly, perhaps you and our colleagues will forgive me for relating an experience that was mine and gives me great hope for tomorrow.

Some years ago I spent two days in Southern California at one of the aerospace companies which has done the most in pushing the space technology frontier outward. There I was shown a large enclosed area covered with strange-looking tripod devices. We were required to wear surgical masks, hats, and aprons—a precaution against any foreign matter, regardless how minuscule, jeopardizing the many celestial missions whose journeys began on that assembly floor. At the end of our tour we sat mesmerized, enthralled as a modern-day prophet graphically depicted the possibility that one day satellites, equidistant in the skies, could contain in computerized form all of mankind's knowledge to be drawn upon by all on earth—an almost incomprehensible library in the heavens.

Visionary? Certainly. But that is the direction in which international space cooperation can lead us all. How appropriate that this item should be toward the end of our work, leaving a sense of realistic hope for our children and children's children. Let us here at the United Nations continue in that direction in the years to come as we share the inspiring adventure that is the peaceful uses of outer space. Like Neil Armstrong, we here take one small step for men—one giant step for mankind.

TEXT OF RESOLUTION [3]

The General Assembly,

Recalling its resolutions 2914 (XXVII), 2915 (XXVII), 2916 (XXVII) and 2917 (XXVII) of 9 November 1972,

Having considered the report of the Committee on the Peaceful Uses of Outer Space,

Noting with appreciation the way in which the 500th anniversary of the birth of Nicolaus Copernicus, the great Polish astronomer, had found its reflection in space activities,

Reaffirming the common interest of mankind in furthering the exploration and use of outer space for peaceful purposes,

Recalling its resolution 1721 B (XVI) of 20 December 1961, in which it expressed the belief that the United Nations should provide a focal point for international co-operation in the peaceful exploration and use of outer space,

Reaffirming further its belief that the benefits deriving from space exploration can be extended to States at all stages of economic and scientific development on an expanding basis, if Member States conduct their space programmes increasingly with a view to promoting maximum international co-operation, including the widest possible exchange of information in this field,

Convinced of the need for increased international efforts, particularly through the United Nations, to promote and expand practical applications of space technology and believing that wider participation by Member States in the activities of the United Nations relating to space matters may contribute to the objective of such increased international efforts,

Bearing in mind that, since the establishment of the Committee on the Peaceful Uses of Outer Space in 1961, the membership of the United Nations has been considerably increased and a corresponding enlargement of the Committee is therefore desirable,

Reaffirming the importance of international co-operation in developing the rule of law in the peaceful exploration and use of outer space,

1. *Endorses* the report of the Committee on the Peaceful Uses of Outer Space;

2. *Invites* States which have not yet become parties to the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, the Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space, and the Convention on International Liability for Damage Caused by Space Objects, to give early consideration to ratifying or acceding to those international agreements, so that they may have the broadest possible effect;

3. *Notes* that the Working Group on Direct Broadcast Satellites has discussed the question of elaborating principles governing the use by States of artificial earth satellites for direct television broadcasting referred to in General Assembly resolution 2916 (XXVII) and endorses the decision of the Committee on the Peaceful Uses of Outer Space, as set out in paragraph 66 of its report, to reconvene the Working Group in 1974;

4. *Notes* that, in responding to the request of the General Assembly, the Committee on the Peaceful Uses of Outer Space and its Legal Sub-Committee have achieved further significant progress towards the completion of the draft treaty relating to the

[3] U.N. doc. A/RES/3182 (XXVIII) (A/C.1/L.669/Rev.1); adopted by the Assembly on Dec. 18 by a recorded vote of 77(U.S.) to 0, with 10 abstentions.

Moon and the draft convention on registration of objects launched into outer space;

5. *Recommends* that the Legal Sub-Committee should, as a matter of highest priority, make its best efforts to complete the draft treaty relating to the Moon and the draft convention on registration at its next session;

6. *Recommends further* that the Legal Sub-Committee should consider at its next session, as a matter of high priority, the question of elaborating principles governing the use by States of artificial earth satellites for direct television broadcasting with a view to concluding an international agreement or agreements in accordance with General Assembly resolution 2916 (XXVII), taking due account of the interdisciplinary character of the subject and of the work of the Working Group on Direct Broadcast Satellites;

7. *Recommends also* that the Legal Sub-Committee, at its next session, should respond to the request for its views, by the Working Group on Remote Sensing of the Earth by Satellites, on the legal implications of the earth resources survey by remote sensing satellites, devoting part of that session to this purpose;

8. *Agrees* that the Legal Sub-Committee at its next session, as time permits, should consider matters relating to the definition and/or delimitation of outer space and outer space activities;

9. *Welcomes* the comments of the Committee on the Peaceful Uses of Outer Space, contained in paragraph 57 of its report, regarding the role and functions of the Scientific and Technical Sub-Committee and agrees that, with regard to its future work, the Scientific and Technical Sub-Committee should proceed on the lines indicated in section V of its report[1];

10. *Notes* with satisfaction that, in promoting international co-operation in the application of space technology, considerable attention has been given to the potential of remote sensing of the earth by satellites to development programmes of all countries, especially of developing countries;

11. *Welcomes* the various efforts envisaged by the Scientific and Technical Sub-Committee of the Committee on the Peaceful Uses of Outer Space and the Working Group on Remote Sensing of the Earth by Satellites with a view to bringing the benefit of this new technology to all countries, especially developing countries, including the preparation of a second survey of potential users of remote sensing, in regard to which a questionnaire on remote sensing of the environment and natural resources from satellites, covering technical, legal and organizational aspects, has been sent to Member States;

12. *Commends* this questionnaire to the attention of Member States and requests them to respond to it as soon as possible with a view to making progress in identifying, studying and analysing the best means of disseminating remote sensing data;

13. *Requests* the Committee to include in its report to the General Assembly, at its twenty-ninth session, its views on further measures to promote international co-operation in the field of remote sensing of the earth by satellites;

14. *Considers* that the Committee on the Peaceful Uses of Outer Space and its appropriate subsidiary organs will have to give further in-depth consideration to the legal, organizational and other related aspects of remote sensing of the earth by satellites;

15. *Welcomes* the continuing progress achieved in developing the United Nations programme on space applications into a significant means of promoting international co-operation in this field, commends this programme to the attention of Member States, the specialized agencies and interested United Nations bodies, and draws attention in this respect to the request contained in paragraph 43 of the Committee's report;

16. *Endorses* the United Nations programme on space applications as contained in paragraph 36 of the report of the Committee and recommends the continuing development of the programme, taking especially into account the needs of the developing countries;

17. *Notes with appreciation* that several Member States have offered educational and training facilities, under United Nations sponsorship, in the practical application of space technology and draws the attention of Member States, particularly the developing countries, to those opportunities as outlined in paragraphs 45 to 50 and 52 of the report of the Committee;

18. *Further notes* the value of United Nations panels and training seminars in various fields of space application and hopes that Member States will continue to offer to serve as host to these panels and training seminars, with a view to the widest possible spread of information and sharing of cost in this new area of development, especially that of the developing countries;

19. *Welcomes* the efforts of a number of Member States to share with other interested Member States the practical benefits that may be derived from programmes in space technology;

20. *Welcomes* further efforts of Member States to keep the Committee on the Peaceful Uses of Outer Space fully informed of their space activities and invites all Member States to do so;

21. *Approves* continuing sponsorship by the United Nations of the Thumba Equatorial Rocket Launching Station in India and the CELPA Mar del Plata Station in Argentina, expresses its satisfaction at the work being carried out at those ranges in relation to the use of sounding rocket facilities for

[1] U.N. doc. A/AC.105/115.

international co-operation and training in the peaceful and scientific exploration of outer space and recommends that Member States continue to give consideration to the use of those facilities for space research activities;

22. *Notes* that, in accordance with General Assembly resolution 1721 B (XVI), the Secretary-General continues to maintain a public registry of objects launched into orbit or beyond on the basis of information furnished by Member States and welcomes the co-operation of Member States in providing relevant information to the Secretary-General;

23. *Notes with appreciation* that a number of the specialized agencies, in particular, the World Meteorological Organization, the International Telecommunication Union, the United Nations Educational, Scientific and Cultural Organization and the Food and Agriculture Organization of the United Nations, have continued to take an active part in the United Nations programme for the promotion of international co-operation in the practical application of space technology, including the organization of technical panels;

24. *Agrees* with the Committee that proper co-ordination is necessary for activities within the United Nations system relating to the peaceful uses of outer space;

25. *Requests*, therefore, the specialized agencies and the International Atomic Energy Agency to continue, as appropriate, to provide the Committee on the Peaceful Uses of Outer Space with progress reports on their work relating to the peaceful uses of outer space and to examine and report to the Committee on the particular problems that may arise from the use of outer space in the fields within their competence and that should, in their opinion, be brought to the attention of the Committee;

26. *Reiterates* its request to the World Meteorological Organization to pursue actively the implementation of its tropical cyclone project, continuing and intensifying its other related action programmes, including the World Weather Watch and, especially, the efforts being undertaken towards obtaining basic meteorological data and discovering ways and means to mitigate the harmful effects of tropical storms and to remove or minimize their destructive potential, and looks forward to its report thereon in accordance with General Assembly resolution 2914 (XXVII);

27. *Notes* that the Inter-Governmental Maritime Consultative Organization has been involved in discussions on the use of maritime satellites and expresses its interest in receiving information concerning activities in this field and other related work;

28. *Decides* to enlarge the membership of the Committee on the Peaceful Uses of Outer Space and requests the President of the General Assembly, in consultation with the regional groups and with the Chairman of the Committee on the Peaceful Uses of Outer Space, to designate, at an early date and not later than 15 May 1974, not more than nine additional members, taking into account the principle of equitable geographical distribution;

29. *Endorses* the view expressed by the Committee in paragraph 68 of its report regarding measures for enhancing the effectiveness of the Outer Space Affairs Division in order to enable it to meet its expanding responsibilities in carrying out the United Nations programme on space applications and in assisting the Committee to discharge its co-ordinating functions as the "focal point" in promoting international co-operation in this field, as envisaged by the General Assembly;

30. *Requests* the Committee on the Peaceful Uses of Outer Space to continue its work, as set out in the present resolution and in previous resolutions of the General Assembly, and to report to the Assembly at its twenty-ninth session.

U.S. Gives Views on Strengthening the Role of the United Nations

Following is a statement made in plenary session of the U.N. General Assembly on November 29 by U.S. Representative W. Tapley Bennett, Jr., together with the text of a resolution adopted by the Assembly on November 30.

STATEMENT BY AMBASSADOR BENNETT

USUN press release 121 dated November 29

My government has carefully studied the views of member countries contained in document A/9128 on "strengthening the role of the United Nations with regard to the maintenance and consolidation of international peace and security," and we find much with which we can agree. The United States is gratified that several states noted the urgent need to achieve agreement on guidelines for U.N. peacekeeping operations. We, as other members have done, urge that greater use be made of the existing means for the peaceful settlement of disputes, including the good offices of the Secretary General, a revitalized International Court of Justice, and the virtually limitless possibilities of quiet diplomacy

practiced in a spirit of good will and mutual compromise. Finally, we are in full agreement with all those who noted that the success of the United Nations depends primarily on the political will of its members to apply the principles laid out in its charter.

Today's consideration of ways to strengthen the United Nations seems an appropriate occasion to call attention to a trend which is having just the reverse effect and which, if it continues, could seriously weaken the U.N.'s potential as an instrument for international cooperation. What I am referring to is a growing tendency on the part of this organization to adopt unenforceable or impractical resolutions and to reject constructive if limited action in an effort to attain unrealistic "total" solutions.

The United States supports constructive international cooperation along regional, political, economic, or ideological lines, inside or outside the United Nations. We realize that international cooperation must be based on the perception of mutual interest among like-minded states. We are also sufficiently familiar with parliamentary practices to know that an Assembly of this size can only function on the basis of such groupings, the composition of which will normally vary from issue to issue. We believe that group action can play a constructive role, as my government was quick to acknowledge in the case of the contribution by the nonaligned members of the Security Council toward the setting up of a U.N. Emergency Force for the Middle East.

However, recent voting patterns within the United Nations lead us to consider whether or not bloc voting is now too often being used in a manner which raises serious questions for the future effectiveness of this organization.

One concern is with the inclination of many U.N. members to support one-sided or simplistic resolutions on complicated or contentious issues, resolutions which do not necessarily represent the weight of world opinion and which, worse still, have not the slightest chance of being effectively implemented. The United Nations is not an instrument for wish fulfillment. Rather, it should be a catalyst for effective action on world problems. Marshaling majorities behind unenforceable resolutions is a meaningless activity. It discredits the organization and brings ultimate frustration to those on both sides of the question who wish to see real progress on these difficult issues.

The case for a responsible approach to the issues facing this Assembly was most eloquently made by former Secretary General U Thant two years ago in his 1971 annual report, when he said:

> It is futile to adopt recommendations which everyone knows from the start will have no effect. To adopt recommendations which are realistic, which are fair to all the interests involved, is bound to influence world opinion and to affect the course of events. The Assembly thus offers the smaller and the medium Powers not only a voice, but also a way of influencing the course of events far in excess of what was previously available to them. To really exercise this influence, however, the majority must make it plain that they will listen to both sides of a case and not only to the larger faction. The majority must prove that they will seek a realistic way out of difficulties rather than resort to condemnations or threats.
>
> It would be a grave pity if the smaller and medium Powers throw away their opportunity and fail to establish some collective credibility through a more realistic approach to what they can or cannot do.

Another concern is with the willingness of some to stall or block U.N. action in areas where general if limited agreement may be attainable, on grounds of frustration with this organization's inability to provide immediate solutions for more deep-rooted, sometimes more fundamental problems which perforce require time for full and final solution. Progress on many of the great issues before us can only come about through the most patient, painstaking, and thorough processes of diplomacy. Solutions of the smaller difficulties and problems we face are often the paving stones on the road to solutions of the larger ones. We can only complete the journey if we take the necessary first steps. Each of us has a responsibility to help all of us move forward, to assist the world community in reaching a general consensus where it can, and to avoid destructive or dangerous contention where general agreement cannot be found.

The great power of the General Assembly lies in its ability to give expression to world opinion, to focus attention on problems, to point toward or suggest solutions, and to help create a climate in which problems can be solved. When we adopt patently unrealistic positions, we discredit this organization, and ultimately we further weaken its capacity to face realistically the very problems we want it to solve. Each state member, and particularly states whose security and influence are most served by the existence of a strong United Nations, must be alert lest through careless or thoughtless action we end by contributing to the whittling away of the prestige of the United Nations. I do not omit my own delegation from this injunction.

Each nation remains responsible for its own actions and thus for its own votes here in the United Nations. We have too often heard representatives privately admit that their delegation was voting against its own preferences and convictions on a given issue in the interests of one or another form of "solidarity." Sovereign states cannot so easily abdicate responsibility. Each of us must realize that others will judge us—and the organization as a whole—by what we do in public, not by what we say in private. History will judge the United Nations by what it accomplishes, not by what it says it would like to accomplish.

The way the United Nations responded to last month's hostilities in the Middle East gives cause for optimism about this organization's ability to function effectively even in the most difficult situations. I think we have all experienced a revival of spirit in recent weeks. If members of this organization can agree on action, tentative and preliminary though it may be, on such long-standing problems as the Middle East and Korea—as difficult and contentious as any issues before us—then there is indeed hope that the United Nations may yet come to fulfill the dreams and expectations of its founders. It is particularly notable that in the instances cited all groups within the United Nations had their parts in proposing and in supporting constructive U.N. action.

Our present discussion on strengthening the role of the United Nations is another example of how reasonable discourse and constructive leadership can help to move this organization forward. My government wishes to express its appreciation for the sincere effort the Romanian delegation has made to focus attention on the central problem before us all—how to make the United Nations more effective in the real world, how to move it from rhetoric to relevancy.

We believe the Romanian delegation has made a genuine contribution to the evolution of thinking within the United Nations on these issues. My delegation intends to vote, despite a certain vagueness of language on some points, for the draft resolution contained in document A/L.713. We hope that each delegation will have time to study with care the many thoughtful statements which have been made here. Let us all profit from this useful exercise.

TEXT OF RESOLUTION [1]

The General Assembly,

Having further considered the item entitled "Strengthening of the role of the United Nations with regard to the maintenance and consolidation of international peace and security, the development of co-operation among all nations and the promotion of the rules of international law in relations between States",

Recalling its resolution 2925 (XXVII) of 27 November 1972,

Taking note of the report of the Secretary-General prepared on the basis of that resolution, as well as of the views and suggestions expressed in the debate on the present item,

Considering that the new steps taken towards achieving the universality of the United Nations are likely to contribute to an increase in the capacity of the Organization to take effective action for the strengthening of international peace and security and for the development of international co-operation,

Aware that the affirmation of a new course in international life, aimed at the establishment of an atmosphere of confidence and understanding between States and at the settlement of international problems of general interest with the broadest possible

[1] U.N. doc. A/RES/3073 (XXVIII) (A/L. 713); adopted by the Assembly on Nov. 30.

participation of States, requires an adequate strengthening of the role of the United Nations as a centre for harmonizing the actions of nations,

Concerned about the insufficient use of the framework provided by the United Nations for the settlement of problems affecting the interests of all Member States,

1. *Reaffirms* that it is imperative that the United Nations should become a more effective instrument in safeguarding and strengthening the independence and sovereign equality of all States, as well as the inalienable right of every people to decide its own fate without any outside interference, and that it should take firm action, in accordance with the Charter of the United Nations, to oppose foreign domination and to prevent and suppress acts of aggression or any other acts which, in violating the Charter, may jeopardize international peace and security;

2. *Reiterates* its appeal to all Member States to take full advantage of the framework and means provided by the United Nations in order to prevent the perpetuation of situations of tension, crisis and conflict, avert the creation of such new situations which endanger international peace and security, and settle international problems exclusively by peaceful means;

3. *Believes* that the United Nations can bring an increased contribution to the strengthening of general peace and security by taking actions aimed at establishing the relations between all States on the basis of the principles of the Charter, and at using more actively the machinery and possibilities provided by the Charter with a view to preventing conflicts and encouraging the peaceful settlement of disputes between States;

4. *Considers* that the strengthening of the role of the United Nations requires continuous improvement of the functioning and effectiveness of its principal organs in the exercise of their responsibilities under the Charter;

5. *Considers further* that, in the context of endeavours to strergthen the role of the United Nations, it is important to study and agree upon ways and means of enhancing, in accordance with the Charter, the effectiveness of the resolutions of the General Assembly and other organs of the United Nations, *inter alia*, by actively promoting the method of consultation among all Member States interested in their elaboration and adoption, as well as by evaluating, as appropriate, their practical effects;

6. *Emphasizes* that the active participation of all Member States in the efforts aimed at strengthening the United Nations and enhancing its role in contemporary international relations is essential for the success of these efforts;

7. *Urges* all Member States, in furtherance of these efforts, to fulfil their obligations under the Charter and, in accordance with its provisions, to implement the resolutions of the General Assembly and the Security Council;

8. *Invites* all Member States to communicate and further elaborate on their views, suggestions and proposals concerning the strengthening of the role of the United Nations not later than 30 April 1974;

9. *Believes* that the efforts aimed at strengthening the role of the United Nations will be greatly assisted by grouping the views, suggestions and proposals made on this subject by Member States, so as to facilitate their consideration by the appropriate existing organs of the United Nations;

10. *Requests* the Secretary-General to prepare a report presenting, in a systematized manner, those views, suggestions and proposals formulated at the twenty-seventh and twenty-eighth sessions of the General Assembly, as well as in the relevant communications received from Member States, and to submit that report to the Assembly at its twenty-ninth session;

11. *Decides* to include in the provisional agenda of its twenty-ninth session the item entitled "Strengthening of the role of the United Nations with regard to the maintenance and consolidation of international peace and security, the development of co-operation among all nations and the promotion of the rules of international law in relations between States".

U.S. Calls for Declaration on Religious Intolerance

Following is a statement by Congressman John H. Buchanan, Jr., U.S. Representative to the U.N. General Assembly, made in Committee III (Social, Humanitarian and Cultural) of the Assembly on October 30.

USUN press release 106 dated October 30

The U.S. delegation believes that this committee can and should reach agreement in this session on a Declaration on the Elimination of All Forms of Religious Intolerance.

Positive action by this committee this year toward agreeing to a declaration of principles on the basic human right of freedom of religion and conscience would not only be welcomed by citizens of the vast majority of nations but also would be a positive step toward achieving tolerance and understanding among nations.

If the world's people are to know freedom of thought and conscience, we must individu-

ally and collectively do all within our power to help eliminate religious intolerance and to foster freedom of conscience.

The U.S. delegation understands that in view of the complexity of the documentation some delegations have taken the position that it would be better to remand the draft declaration to the Human Rights Commission for further work. This would mean that no action will be taken on this vital issue during this year which marks the 25th anniversary of the Universal Declaration of Human Rights, and we do not agree with that position, although we do understand it.

It is of course unfortunate that we do not have before this committee a complete draft that has been endorsed by the Human Rights Commission, but we believe we can and should take constructive action now. We believe so for two reasons:

First, the fundamental principles embodied in a Declaration on the Elimination of All Forms of Religious Intolerance should not be controversial.

Those principles have been in the Universal Declaration of Human Rights and in the covenant [on civil and political rights]. They are also set forth in the fundamental law of most countries of the world.

Second, my delegation believes that once a declaration has been approved establishing the broad principles, details can be left to the drafting of a convention on the subject in future years.

What we hope to do here and now is simply to reaffirm basic general ideals.

Those ideals have been an essential part of the American way of life.

Our nation was founded in large part by individuals seeking to escape religious intolerance. Pilgrims crossed perilous seas and settled in an uncharted wilderness in order to live, work, and worship as their consciences dictated.

Unfortunately some of them then attempted to establish state churches in the American colonies and to cut off the voice of dissent and to punish dissenters. It was precisely because of this right to dissent so often violated and free expression so often denied that our Founding Fathers sought to provide legal safeguards for freedom of religion in the new Republic. These safeguards are set down in the first amendment to our Constitution, which states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

Within our nation's Capital there are houses of worship of virtually every faith, Protestant, Catholic, Jewish, Islam, Buddhist, Hindu, Baha'i, and many others. Our laws protect the right to hold a religious faith, but they also protect the right of the individual to hold nontheistic or atheistic beliefs as well.

While freedom of religion and belief has been attained in many countries, there are unfortunate millions of people throughout the world who suffer from religious intolerance and outright persecution.

At this advanced point in human history, it seems strange and, indeed, quite irrational for any government to pit itself against the basic rights of its people and seek to thwart their noblest aspirations; yet in the area of religious repression and intolerance this remains a fact of life in the present world. In some instances such repression is directed against Protestant or Catholic Christians, in others against Moslems, and often against Jews. The adherents of virtually every great world faith have been the victims of such intolerance, somewhere on earth.

If we could enact a declaration acknowledging our unified belief in the right of the individual to freedom of thought, conscience and religion, it would establish a standard of tolerance which would help to curb such practices.

We can and should act now, consistent with Resolution 3027 (XXVII) of December 18, 1972, which decided to give priority to the adoption, if possible, of such a declaration. No one can say that this is not possible; we ought therefore to proceed to consider this matter article by article.

The Netherlands draft, derived as it is from the work which has gone before, is a

document worthy of this subject and of our detailed consideration. It reflects a sensitivity to the diversity of nations, cultures, governmental systems, and philosophies represented in this chamber.

In producing the amendments to the working group text distributed today as A/C.3/L.2027, the Netherlands delegation has performed a useful service to the committee by showing the close relationship between the two drafts. The broad principles of tolerance proclaimed in both documents should be acceptable to men and women of good will the world over.

In response to your very apt request that we move from generalities to specifics, Mr. Chairman, my delegation is prepared to use the working group draft in document A/8330 as the basis for the discussion and to consider it in the light of the Netherlands amendments and such other amendments as delegations may wish to offer. The views of my government on the six articles of the working group draft are on record in document A/9134/Add.1.

My government also has some views as to four additional articles which we would like to see included. These are set forth in annex II of A/8330, and we will be glad to discuss them at the appropriate time.

It would of course be possible to prevent the adoption of this declaration during this anniversary year by too fine a regard for the details of drafting or by procedural obstruction. But we believe that the failure of this committee to take action may be misinterpreted as lack of interest in this important subject. We can achieve an acceptable resolution if we will, and my delegation earnestly hopes that we will do so.[1]

[1] In a resolution adopted by the committee by consensus on Oct. 31 and by the Assembly without objection on Nov. 30 (A/RES/3069 (XXVIII)), the Assembly invited the Economic and Social Council "to request the Commission on Human Rights . . . to consider as a matter of priority, the elaboration of a draft Declaration on the Elimination of All Forms of Religious Intolerance . . . and to submit, if possible, a single draft Declaration to the Assembly at its twenty-ninth session. . . ."

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.
Accession deposited: Republic of Viet-Nam, January 3, 1974.

Load Lines

International convention on load lines, 1966. Done at London April 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720.
Accessions deposited: People's Republic of China, October 5, 1973 (with declaration and reservation); Hungary, September 25, 1973; Iran, October 5, 1973.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961 (TIAS 6298). Done at Geneva March 25, 1972.[1]
Ratification deposited: Cyprus, November 30, 1973.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 25, 1967.[1]
Acceptance deposited: Switzerland, October 1, 1973.

BILATERAL

Japan

Protocol amending the agreement of February 28, 1968, as amended (TIAS 6517, 7306), concerning civil uses of atomic energy, with exchange of notes. Signed at Washington March 28, 1973.
Entered into force: December 21, 1973.

Yugoslavia

Agreement on the establishment of a U.S. information center in Sarajevo in accordance with the memorandum of understanding of June 14, 1961. Signed at Belgrade July 18, 1973. Entered into force provisionally July 18, 1973.
Entered into force definitively: December 14, 1973.

[1] Not in force.

PUBLICATIONS

Second "Foreign Relations" Volume on China for 1948 Released

Press release 461 dated December 21 (for release December 28)

The Department of State released on December 28 volume VIII in the series "Foreign Relations of the United States" for the year 1948. This volume is entitled "The Far East: China."

This 986-page volume contains previously unpublished documentation relating principally to U.S. military and economic assistance to China, as well as material on the withdrawal of U.S. marines and the evacuation of American citizens from China.

This is the fourth of nine "Foreign Relations" volumes to be published on U.S. diplomacy in 1948. A companion volume on China (volume VII), covering principally the military and political situation, was released in August 1973.

The volumes are prepared by the Historical Office, Bureau of Public Affairs. Copies of volume VIII (Department of State publication 8683; GPO cat. no. S1.1:948/v. VIII) may be obtained for $9.30. Checks or money orders should be made out to "Superintendent of Documents" and should be sent to the U.S. Government Bookstore, Department of State, Washington, D.C. 20520.

GPO Sales Publications

Publications may be ordered by catalog or stock number from the U.S. Government Printing Office Bookstore, Department of State, Washington, D.C. 20520. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below include domestic postage.

Latin American Military Expenditures 1967-1971. Survey of defense spending in 16 Latin American countries: Bolivia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Trinidad and Tobago, and Uruguay. Tables included. Pub. 8720. Inter-American Series 103. 29 pp. 55¢. (Cat. No. S1.26:103).

Antarctica—Measures in Furtherance of Principles and Objectives of the Antarctic Treaty. TIAS 7692. 10 pp. 25¢. (Cat. No. S9.10:7692).

Consular Relations—Continued Application to Barbados of the United States–United Kingdom Convention of June 6, 1951. Agreement with Barbados. TIAS 7693. 2 pp. 25¢. (Cat. No. S9.10:7693).

Cooperation in Combating Illicit International Traffic in Narcotics and Other Dangerous Drugs—Grant of Reference Books. Agreement with Mexico. TIAS 7694. 3 pp. 25¢ (Cat. No. S9.10:7694).

Colorado River Salinity. Agreement with Mexico extending minute no. 241 of the International Boundary and Water Commission, United States and Mexico, of July 14, 1972, as extended. TIAS 7696. 4 pp. 25¢. (Cat. No. S9.10:7696).

Radio Broadcasting in the Standard Broadcast Band—Frequency Modulation Broadcasting in the 88 to 108 MHz Band. Agreement, with annexes, with Mexico. TIAS 7697. 92 pp. 80¢. (Cat. No. S9.10:7697).

Extension of Loan of Vessels—U.S.S. *Holt*, U.S.S. *Erben*, U.S.S. *Hickox*, and U.S.S. *Halsey Powell*. Agreement with the Republic of Korea. TIAS 7704. 3 pp. 25¢. (Cat. No. S9.10:7704).

Colorado River Salinity. Agreement with Mexico confirming minute no. 242 of the International Boundary and Water Commission, United States and Mexico. TIAS 7708. 10 pp. 25¢. (Cat. No. S9.10:7708).

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on December 19 confirmed the following nominations:

Arthur A. Hartman to be an Assistant Secretary of State [for European Affairs].

Robert C. Hill to be Ambassador to Argentina.

Robert J. McCloskey to be an Ambassador at Large.

Lloyd I. Miller to be Ambassador to Trinidad and Tobago.

Helmut Sonnenfeldt to be Counselor of the Department of State.

Walter J. Stoessel, Jr., to be Ambassador to the Union of Soviet Socialist Republics.

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to December 31 which appear in this issue of the BULLETIN are Nos. 464 of December 21 and 472 of December 27.

No.	Date	Subject
*1	1/2	Kissinger: letter of sympathy to widow of Charles E. Bohlen.
*2	1/3	Popper sworn in as Ambassador to Chile (biographic data).
†3	1/3	Mrs. Hutar sworn in as U.S. Representative on U.N. Commission on the Status of Women (rewrite).
*4	1/3	Scott sworn in as Ambassador to Portugal (biographic data).
†5	1/4	Kissinger: news conference, San Clemente, Calif. Jan. 3.
*6	1/4	Marshall sworn in as Ambassador to Kenya (biographic data).
*7	1/4	Hill sworn in as Ambassador to Argentina (biographic data).
*8	1/4	Barnes sworn in as Ambassador to Romania (biographic data).
*9	1/4	Study group 8, U.S. National Committee for CCIR, Jan. 18.
*10	1/4	Study group 1, U.S. National Committee for CCITT, Jan. 31.

* Not printed.
† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

Vol. LXX, No. 1805
January 28, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Secretary Kissinger's News Conference of January 3

Following is the transcript of a news conference held by Secretary Kissinger at San Clemente, Calif., on January 3. Gerald L. Warren, Deputy Press Secretary to President Nixon, introduced the Secretary.

Press release 5 dated January 4

Mr. Warren: The Secretary, as you know, has been in San Clemente for a few days in discussion with the President on foreign policy, on the Geneva talks and the Middle East situation. He discussed various matters with the President this morning by telephone and will begin by taking your questions.

Mr. Secretary.

Secretary Kissinger: Actually, we have been reviewing the Middle East situation as well as the whole gamut of foreign policy. It hasn't been confined to the Middle East. But I will be glad to answer your questions.

Q. What are the prospects for an early peace and disengagement along the Suez?

Secretary Kissinger: Well, as you know, we have encouraged negotiations on the separation of forces first on the Egyptian front but, in principle, also on the other fronts to reduce the danger of war, to begin some movement toward a peace settlement.

These talks took place first at kilometer 101, and while they didn't lead to a settlement, they led to a clarification of the position of the two sides in a direction that offered some promise of further progress.

As you all know, I expect to see Defense Minister Dayan, as was agreed when I last was in Israel, tomorrow; and unless there has been a basic change of view, which I do not believe, I expect that good progress can be made in the separation of forces along the Suez Canal.

Q. What effect will the elections in Israel have on their standing in the talks?

Secretary Kissinger: I don't believe that the elections will have any effect on the talks that are now going on with respect to disengagement, because there has been, as I understand it, a broad consensus in Israel that those talks can proceed even before a new government is formed.

What the effect will be of the election on the ultimate settlement talks will depend in part on the composition of the Cabinet and on the negotiations that are now going on between the parties, and I think it would be premature for me to offer an opinion.

Q. Mr. Secretary, do you have a timetable for when you think that disengagement might actually get started?

Secretary Kissinger: No, I don't have a timetable, because a great deal, of course, depends on the parties; but it has always been understood that after the Israeli elections the talks might accelerate, and we would expect that after my talks with Dayan tomorrow, then when the talks resume next week we will then see during the month of January how much progress is possible.

I am not predicting that there will be a solution during the month of January. I am just saying we will then see what can be done.

Q. On a related subject, what are the chances of the oil embargo being lifted in the next few weeks or the near future?

Secretary Kissinger: Well, I know I keep repeating myself about the oil embargo. The principles that the President has adopted with respect to the oil embargo and that we are attempting to implement are as follows.

We have understanding for the initial Arab position. Nevertheless, we believe that it becomes increasingly less appropriate for Arab governments to pursue discriminatory measures against the United States when the United States has publicly declared its support for Resolution 242 and has been the principal country promoting a settlement in the area.

We cannot engage in negotiations with the Arab governments about the specific terms that we will support in negotiations in order to get the embargo lifted, because it would make our foreign policy then entirely subject to the producing nations' decisions and would set up an endless cycle.

However, we will continue to make a serious effort. We have told the Arab governments the direction in which we are moving, and we have talked to the Israeli Government.

We therefore cannot tie it to any particular time frame, but we hope that there will be progress on the oil embargo issue, together with a general easing of the situation in the Middle East.

Q. Mr. Secretary, is there any thought of a counterembargo of some American raw materials which are used in the Arab countries?

Secretary Kissinger: We are not planning any specific measures of this kind at this moment. First, let me make a few general observations about the energy problem.

First, it is important to separate the Middle East war aspect of it from the endemic long-range problem. There would have been an energy problem even without the Middle East war, and there will be an energy problem after the embargo is lifted.

The energy problem is produced in part by the fact that the demand has outrun the incentive for supply, and therefore there is a common problem on the part of all energy-consuming countries to develop new sources of energy, to adopt conservation measures for existing sources of energy, and to deal with this whole new complex of issues produced by this rapid rise in energy prices.

This is why the President asked me to propose the Energy Action Group between consumers and between consumers and producers, and we will take additional initiatives with respect to that within the next week, and we believe that that is the long-term solution to the energy problem.

Recent Talks With Le Duc Tho

Q. Mr. Secretary, on another subject, did you in your talks with Le Duc Tho leave him with any kind of a warning that a North Vietnamese offensive would be met with an American response?

Secretary Kissinger: First of all, we have an agreement that we do not discuss the substance of these talks.

Secondly, we had a general review of the situation in Indochina with particular emphasis on the situation in Viet-Nam and measures that might be taken to ease the situation.

We are now both studying these positions. We will be in touch with each other in the next few weeks, and therefore the thrust of our talks concerns the ways to alleviate the situation and not particular responses we might make to this or that move.

Q. If I could follow up, do you anticipate a North Vietnamese offensive now?

Secretary Kissinger: My old associate Le Duc Tho is not one of the most confiding of men, and he has not in the past been in the habit of sharing all his plans with me. I would think that on the whole, on narrow balance, I would expect that the North Vietnamese would recognize that nobody's interest would be served by an offensive in Viet-Nam.

Q. Dr. Kissinger, will the energy problem affect the President's plans for foreign travel?

Secretary Kissinger: No, the energy problem will not affect the President's plans for foreign travel. It of course is likely to be a subject in conversations, especially with European and Japanese leaders, if he should meet them later this year.

The President's plans with respect to European travel have been geared to progress

that is being made on the various declarations that we are discussing now with our European allies—a declaration within the NATQ framework and a declaration between the Common Market countries and the United States.

In both of these cases, substantial progress has been made, and there is another meeting of the Political Directors of the Common Market with our equivalent of political directors, which is Assistant Secretary [for European Affairs Walter J.] Stoessel and the new Counselor of the State Department, Mr. [Helmut] Sonnenfeldt. And we believe that after the period in which there was a conjunction of the formation of European unity with our attempt to redefine Atlantic relationships—and these two efforts tended to compete with each other for the attention of the leaders—that now there is a relation on both sides of the Atlantic, that these efforts are not competitive but complementary, and that relatively rapid progress will be made.

Q. What can you tell us, Mr. Secretary, about the possibility of a European trip by the President this spring?

Secretary Kissinger: Well, if we make the progress in Atlantic relations that I have indicated as possible, then it has always been foreseen that the President at that point might take a trip, and while no final decision has been made, this could very well happen this spring.

Presidential Initiative on Energy Problem

Q. Mr. Secretary, can I take you back to the Middle East for a moment. You discussed the proposal for an energy group, Energy Action Group, and you said that the administration intended to take additional initiatives within the next weeks. Can you discuss at all what those might be or what the general character of those initiatives might be?

Secretary Kissinger: No, of course, this will become more apparent when these initiatives are developed, but basically they will spell out in somewhat greater detail than I did in London our concept of cooperation between consumers and between consumers and producers. Incidentally, it is interesting to point out that some of the most positive reactions to this idea have come from the producing countries that also seem to feel the need for stabilizing what could otherwise turn into an extremely competitive and disruptive situation, and since they are part of the same world economy everyone else is, the producing countries cannot have an interest in a massive depression.

So what you will see is a spelling-out of the ideas that the President asked me to put forward in London, and the initiative will probably be undertaken at the Presidential level.

Q. In a speech or a statement of some kind?

Secretary Kissinger: Probably in an approach to the various leaders concerned.

Q. Going back to Indochina for a moment, if I may, if there should be a North Vietnamese offensive, is it at all possible the United States might respond militarily?

Secretary Kissinger: I don't want to speculate on what the United States would do in every circumstance. I have pointed out in Washington that we are conscious of the legal obligations under which this government operates and that we of course intend to observe them.

Q. Dr. Kissinger, there have been reports that General Dayan is coming here so that the United States can coordinate a policy with Israel. In view of the fact that the situation with the Arabs is so tenuous and you are trying to make progress in lifting the oil embargo, do you think it is proper for the U.S. policy to be so tied to the Israeli policy that there seems to be no separation?

Secretary Kissinger: We have conducted our policy in the Middle East by talking at great length with all of the parties concerned. We have discussed our ideas on a settlement in exactly the same terms with every one of the parties involved. Every Arab country that is concerned is aware of Mr. Dayan's

visit to Washington, and I have every reason to believe that they welcome the fact that the United States is actively pursuing the objective of the separation of forces and that they don't view it at all in the light you have indicated.

Q. Going back to this Presidential approach to the producer nations, how high—

Secretary Kissinger: And consumer nations.

Q. And consumer nations. How high is the United States willing to let the price of oil go; how serious is this situation as you see it now? Are you prepared to just let the price go on up, or are you going to try for some rollbacks or what?

Secretary Kissinger: You have to understand that the very way you formulate the question demonstrates the nature of the problem. It is not in the power of the United States to control the rise of these prices. These prices are being set by the producing countries and under conditions of totally unrestrained competition among all the consumer countries. There is no way any one consumer can affect the prices.

The United States has made it clear that it is not in the long-term interest of even the producer countries to pursue a policy of unrestrained price increases because, as I pointed out earlier, the producers, too, are living in the same world economy that the consumers are. And a worldwide depression produced by an imbalance in balance of payments and a complete overemphasis on the energy side would have the inevitable consequence of depressing also the situation of the producer countries. And many of them have come to realize this.

The situation has developed in this way because the long-term demand for energy has grown so rapidly and the uses to which money can be put are relatively so limited that there has been little incentive to increase production and an almost unlimited seller's market.

One reason why the United States has supported cooperative approaches among the consumers and between the consumers and producers is because—even with good will on both sides—unless there is a systematic effort to address the problem, there is no way any one nation can solve it by itself, not even a nation as powerful as the United States. It is the example *par excellence* of how interdependent the world has become, how impossible purely selfish policies are, and how suicidal for everybody it is to pursue totally independent courses.

We will make a major effort to bring the prices into some relationship to the needs of the growth of the world economy in which everybody has a share. And we are also profoundly convinced that as far as the consuming countries are concerned, unrestrained competition between them would be a disaster for everybody, and I say that even though in the short term we are better placed than anyone else to withstand such competition.

Q. Are these going to be personal appeals by the President to King Faisal and—

Secretary Kissinger: I don't want to go into it. They will be announced at the appropriate moment. But they will be an attempt to embody the principles that I have outlined here, and they are of a very major concern of the President right now, to which he is giving a great deal of his personal attention.

Q. Will we get it?

Secretary Kissinger: I don't know how much of it will be made public all at once, but you will see the development of this approach over the next weeks.

Common Interest in Energy Problem

Q. Will one of the principles be an attempt to get the producer countries to forswear future oil boycotts of this kind? I mean, you spoke about our relative independence compared to Europe and Japan. But it seems to me those other countries would have a stake in wanting a promise along this line.

Secretary Kissinger: There are two problems, as I pointed out. One is the problem of the boycott—there are three problems: the boycott, the production, and the prices.

Leaving aside the question of the boycott, in the long term, if the Arab countries or if the producing countries—it isn't just a question of the Arab countries—if the producing countries do not increase their production, it will have the same objective consequences as a boycott did, because it will mean that there will be a constant shortfall of supplies.

Secondly, if the prices keep rising, then it is already estimated that anywhere from 30 to 50 percent of the foreign reserves of some countries will have to be devoted simply to the acquisition of energy, and this will affect their import policy toward other countries, and it will therefore have a very profound effect on the whole world economic situation.

Now, in the short term, it is possible to conceive any number of bilateral deals that can be made between major consuming countries and major producing areas. In the short term, it is possible to see how particular producing countries can enrich themselves by an unrestrained use of their temporarily strong bargaining position.

But in the long term, it is bound to lead to disaster for everybody. And therefore we are not trying to approach this on a piecemeal basis, but on a comprehensive approach to the energy problem now and in the foreseeable future to see whether some thoughtful long-range policy can be developed. And it is peculiarly a case where the common interest is also everybody's selfish interest.

Q. In view of all this, what do you see as the most hopeful sign in the Mideast right now, Mr. Secretary?

Secretary Kissinger: Well, I think in the Mideast there is a good possibility of progress in the separation-of-forces talks. This, in turn, will create very positive conditions for similar progress on other fronts, and it will be a good bridge into the general peace talks that will of course continue.

The President has said, and it has been our policy and our conviction, that the chances for peace in the Middle East are better than they have been in 25 years. That doesn't mean that the negotiations won't be extremely painful and extremely difficult.

With respect to the energy situation, on the one hand, of course we are going through a rather painful period; on the other, there is a certain advantage in having the nature of a problem that was endemic precipitated in a way that one could deal with it comprehensively and at an early enough stage so that we could get a look at all of its implications on a worldwide basis. So even the dislocations of this year can spur us to develop alternative sources of energy, to conserve energy in a systematic way, and to enable the consuming countries to work together and to work together with the producing countries to get a long-range policy. So this could be seen, this year—if we all act wisely and decisively—could be seen as a good transitional period.

Q. What about a country like Japan? It is more than a pinch there. They are threatened with economic destruction. How long can you keep a country like that in check?

Secretary Kissinger: It is not a question of keeping a country like that in check, because that is not our attempt. Our attempt—if what we are attempting to do works, then obviously it must take into account the basic needs of Japan. And again, at the risk of repeating myself, I can only say that an attempt by Japan to deal with its problem on a purely national basis will bring it up against almost insoluble problems, either of price rises or of competition with other countries, and I have every reason to believe that this is recognized by the Japanese, too.

We have been talking about a structure of peace. We have been talking about the interconnection of events in the world. And when we were talking about political matters, it sounded abstract and theoretical, but here we have a very concrete case in which isolated solutions will turn out to be impossible. We are not trying to contain Japan. We are trying to enable Japan to meet its requirements within the only framework in which it is possible to meet them, and I am confident that the Japanese see it in the same way.

Q. Mr. Secretary, will you give us a personal note regarding the energy crisis? Coming out here you traveled commercially. I

just wondered what your reaction was to that flight and the attention you got on it. Did you feel like an average traveler?

Secretary Kissinger: Well, they don't have stewardesses on Air Force One. [Laughter.]

Q. Mr. Secretary, in that same personal note, there are a lot of people who are interested—particularly women—interested in your future. Could you tell us your marriage plans?

Secretary Kissinger: I don't plan them. [Laughter.]

Q. What can you tell us about your plans to get married?

Secretary Kissinger: I said three weeks ago when a particular plan was mentioned, that that particular plan—I commented on that particular plan and I said that I would not make any future comments on my personal situation. I would be spending too much of my time. I don't want to upset too many people. [Laughter.] Humility has always been my outstanding trait. [Laughter.] Jerry is going to issue a statement putting that part off the record. [Laughter.]

Declarations With Western Europe

Q. Dr. Kissinger, on the President's trip to Europe which you say could take place as early as the spring, would there be two separate declarations made? Do you foresee that, one with the Common Market and one with NATO?

Secretary Kissinger: Yes, the present plan is to have two declarations, one with the Common Market and one with NATO. The reason is that not every member of the Common Market is also a member of NATO and therefore it would have been difficult, if not impossible, to construct a document that took care of both of these groupings.

Secondly, in the Common Market, the nine members speak as a unit, while in NATO they are still represented in their capacities as individual nations. And therefore there will be two declarations: one dealing with the issues of mutual security and the political issues related to that, and the second one related to the emerging European identity, the American position vis-a-vis that and the united Europe's position vis-a-vis the United States, the economic issues, and that part of the political relationship that is relevant to the relations of a united Europe with the United States.

As I said, we have made very good progress on the NATO declaration and we are also making progress on the declaration with the European Community. We have to stress again that to us this is not just a paper exercise, nor is it an attempt on our part to define legal obligations which can then be enforced by one party against the other, which is obviously not the case. It is an attempt on our part to give the democracies an opportunity to prove that not all achievements in foreign policy are to be sought in relations with adversaries, but that those countries whose unity and strength and dynamism brought them to the point where relations with adversaries can be improved can also define a future for themselves in a world which is different from that of the early 1950's.

It is an opportunity for creativity, not a legal haggle in which we are trying to get this or that clause, and in this process I think the effort has already generated a great deal of reexamination on both sides of the Atlantic and will in retrospect, I think, be seen as having made a useful contribution.

Q. If you get these two declarations for the sake of clarity, then when will the President be making the trip to Europe?

Secretary Kissinger: Whenever those declarations are ready for signature and for the final stages of the negotiations, the President would like—

Q. No time frame?

Secretary Kissinger: Well, I indicated that I thought when somebody mentioned this spring that that was a possibility. But the final decision has not been made, and we do not want to set a date and then give ourselves a deadline that puts us under pressure.

We will follow the same procedure that we

followed in other negotiations; that is, we set the date when there is a reasonable progress in sight.

Q. Mr. Secretary, how is impeachment going to affect the President's foreign policy initiatives in the coming year—I mean, the whole fight over it and the threat in Congress?

Secretary Kissinger: I have no reason to assume that there will be an impeachment, and therefore I don't want to speculate on that. We can only conduct foreign policy on the assumption that the principles that we have attempted to implement of a new relationship with our friends, of accelerating the progress in easing tensions with our adversaries, are basic principles of American policy which the President will continue to pursue because they are right and independent of the situation to which you have referred.

Q. Dr. Kissinger, there have been some reports that since the President has been beleaguered by the challenge and the complexities of Watergate that you, as a Secretary of State, have been carrying out policy perhaps in a more independent way than in the first four years, when you served as an adviser. I wonder, sir, if you could address yourself to that question.

Secretary Kissinger: Well, I have read those reports, and they are totally incorrect. I think the idea developed because now that I am Secretary of State the press is traveling with me and sees me more regularly than they did on previous trips and also there is a more detailed reporting of my day-to-day activities because of the necessity of daily press briefings emerging out of one of the great departments.

I see the President when we are in town together every morning for a minimum of half an hour, but usually for a much more extended period than that. When we are not in the same town, I cannot recall a day when we do not talk on the telephone. When I travel, I send the President a report at the end of every day. I am in close touch with General Haig [Gen. Alexander M. Haig, Jr., Assistant to the President] and General Scowcroft [Maj. Gen. Brent Scowcroft, Deputy Assistant to the President for National Security Affairs], who are manning the White House, with whom I usually talk on the telephone even when I am on trips and from whom I always get a report. Before I go on a trip, the President and I sit down, as we always have, and he tells me what his general strategy is and what he wants me to accomplish.

Having worked as closely together as we have for five years, there is no necessity for him—and it isn't his style anyway—to go into every last tactical detail. But this is not new; this is the way it has always been.

I do not believe that the great departments of the government can be personal fiefdoms of individual men. The constitutional responsibility for conducting foreign policy resides in the President. The Secretary of State has to be the agent of the President, or he represents nothing. And in this present situation in America, I believe that government has to be regular and it has to be conducted on the basis of existing constitutional practice. And I therefore totally reject the idea that I am attempting to conduct an independent policy.

Europe's Reaction to U.S. Initiatives

Q. Mr. Secretary, going back to the two European declarations, did you really give us all the reasons why there are going to be two declarations? You had said in your New York speech that you wanted a new Atlantic charter, and you had spoken of defense, political, and economic matters as realistically being connected.

Secretary Kissinger: That is right.

Q. The Europeans came back and said, no, no, we don't want them connected; we want two declarations. Isn't this really what happened or has been evolving?

Secretary Kissinger: No. What happened was when we made the proposal, I think it is fair to say that we did not expect that we were raising a controversial issue. We had reason to believe, on the basis of conversa-

tions which the President had had with the British Prime Minister and exchanges which the President had had with other European leaders, that this would be an issue that would be relatively noncontroversial, would be greeted with some enthusiasm, and would lead fairly rapidly to a general declaration.

In this respect, as I pointed out last week, the European reaction surprised us and, I am frank to say, disappointed us. Now, what was the reason for this?

There were many causes, one of them being that this was also the year in which the Europeans attempted to form their political union and that some of the European countries thought that there was an inconsistency between at one and the same time fostering European union and greater Atlantic cooperation.

Given the way the constitution of the European Community is written, one or two countries can block the views of the majority, because it requires the approval of all of them.

Secondly, many European countries had domestic problems of their own, and therefore the process by which they responded to the initiative was somewhat slow and somewhat uncertain. It was reflected, for example, in the fact that the Europeans could not decide among themselves how to respond. That is to say, there was one proposal which still existed at the time of the meeting between the President and President Pompidou at Reykjavik, that the declaration should be developed at the level of the Deputy Foreign Ministers of the individual countries. We agreed to that.

Then there was a proposal that there be a series of bilateral meetings between the United States and key European countries. We had 15 bilateral meetings between the United States and key European countries, including five by the President himself, with Foreign Ministers of other countries, in one case the British Cabinet Secretary. And at that time we were still talking about a comprehensive declaration because we were dealing with the European countries as individual countries.

At the end of July, without, incidentally, discussing the matter with us, the Europeans decided that for the part that concerned economics they were going to attempt to use our initiative as a device to form European unity and to go for the first time in their experience through the exercise of developing a common political position.

So at that point, when the Europeans decided that some issues were going to be handled by the Nine and others were going to be handled by NATO, we agreed that the two could be split but would be signed essentially simultaneously so that their total effect would be in any event one common approach.

Then, having decided that we were going to do it on a common basis, it took the Europeans three months to develop a common declaration. And while it was a major achievement for them to get anything agreed to among nine countries, its content, in our view, did not reflect the difficulty of achieving a consensus, and therefore it led to another set of negotiations.

This is the history as I see it. Now, I know there were many criticisms made that we were trying to link together political, economic, and military things and that that was not appropriate. The fact of the matter is that in practice they are linked, whether they are in two declarations or in one declaration. And the fact of the matter, however, even more importantly, is we do not conceive these declarations as a means of blackmail on the Europeans. We do not conceive them as something that we can use in defining a legal obligation from which we can develop certain demands.

What we are trying to do is to see whether the free countries in totally changed conditions from those of the 1950's can define a future for themselves and can work cooperatively along these ranges of issues.

If we want a confrontation with the Europeans on economic matters, those of you who know Washington will be aware of the fact that we don't need a declaration. Our economic agencies are delighted to have a confrontation.

With a declaration, what we are trying to

do is to have a long-term political objective which would put at rest all of these arguments: Is the United States planning a condominium with the Soviet Union—an argument that cannot be answered in the abstract.

We have told the Europeans, "For God's sake, let's sit down together. What is the world we are trying to bring about? We are willing to discuss with you what policies should be done unilaterally, what policies should be done jointly, and we are willing to put our détente thinking before you and you put yours before us, and let's talk about it on that basis."

All we want from these declarations is that they create the framework for it, not a legal dicker in which one side then produces a document as if we were going to court.

Q. If the short answer, then, is that there aren't going to be any trade concessions—

Secretary Kissinger: There are no short answers in my press conferences. [Laughter.] These guys have gotten totally out of control since I stopped briefing them. [Laughter.]

Q. If the short answer is that there aren't going to be any trade concessions, how rapidly and at what pace will the administration begin reevaluating our military contribution to Europe?

Secretary Kissinger: I am not saying the short answer is that there won't be any trade concessions, because there are negotiations going on within the GATT [General Agreement on Tariffs and Trade] framework in which, of course, our trade bill will be an essential component and we expect that there will be an agreement also on trade matters.

However, the new reality that has been created by the energy crisis, in terms of reserves and so forth, will force all countries to take a new look at their economic relationships. And I think it will make some of what you previously considered to be irritating competitive aspects seem somewhat less important and will make their solution somewhat easier.

Q. Just a piece of detail. How many countries would you like to see involved as consumers and producers in any kind of group? To put it another way, how many will appeals be made to?

Secretary Kissinger: We will announce that next week. We are in the process of discussing it, and it is one of the issues which the President has yet to decide. But we have a pretty clear idea already.

Q. On the order of 20?

Secretary Kissinger: In that general area.

Détente and Soviet Domestic Policies

Q. Mr. Secretary, do you believe that the publication of Mr. Solzhenitsyn's book will have any effect on our détente with Russia?

Secretary Kissinger: Our view about détente has never been geared to our approval of the Soviet domestic system. We have always maintained that we recognize that there is an important difference and, in many significant respects, incompatibility between the Soviet domestic system and our system.

It did not indicate moral approval in any respect of the Soviet system—even less, of course, of the conditions described in that book.

Our view about détente is produced by the horrors that a nuclear war would inflict on mankind and therefore the obligation that is imposed on the leaders of all countries to do their utmost to prevent such a catastrophe from arising.

This is why we are seeking to moderate Soviet foreign policy conduct. This is why we believe it is essential for high-level contact to be maintained, and easy communication between the President and the rulers of the Soviet Union. And therefore, while we have our own views of the conditions which are described in this book, they do not obviate the necessities that I have described.

Q. Incidental to an earlier question about travel, is there a possibility, and if so how strong, of another visit by the President to

the Soviet Union this coming year and also one to Japan?

Secretary Kissinger: There has been already an agreement in principle that the President would visit Japan this year, and we believe that this is an agreement that can be carried out.

There has also been an agreement which was reached at the last summit that the President would visit the Soviet Union this year, and this, too, in fact we are planning for.

Now, the exact date of the visit to the Soviet Union will depend on progress in negotiations which would justify Presidential participation in meetings with the General Secretary, principally SALT [Strategic Arms Limitation Talks].

Q. Mr. Secretary, can I follow up on the impeachment question, which I don't think you answered the first time I asked it. Do you think the President can be the leader of the free world in pretty ambitious schemes to maintain economic stability and world peace while he is under unprecedented attack at home and fighting for the very Presidency here in the coming months?

Secretary Kissinger: I believe that the President can do it, and I believe that his foreign policy will be recognized as valid in the years ahead.

Q. Dr. Kissinger, if I could follow on Pat's [Patrick J. Sloyan, Hearst Newspapers] question, do you think it is possible that new foreign policy initiatives would be part of the President's defense on impeachment?

Secretary Kissinger: The foreign policy of the United States, I think, will be seen to have been carried out in a consistent, responsible manner over the years, according to principles that have been laid down in annual foreign policy reports, and I believe that it will be recognized that the measures are conducted on their own merit and not for domestic reasons.

The Press: Thank you very much, Mr. Secretary.

United States Protests Attack on Search Mission in Viet-Nam

Following is a U.S. note delivered to the Embassy of the Democratic Republic of Viet-Nam at Paris by the U.S. Embassy on December 17.

Press release 456A dated December 17

The Department of State of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Democratic Republic of Viet-Nam and has the honor to refer to the Agreement on Ending the War and Restoring Peace in Viet-Nam of January 27, 1973.

On December 15, 1973, communist forces attacked three unarmed helicopters of the Four-Party Joint Military Team (FPJMT) in Binh Chanh District, Gia Dinh Province of the Republic of Viet-Nam. This attack resulted in the destruction of one helicopter, the death of one American and one Vietnamese and the wounding of several Americans and Vietnamese in the party. These helicopters and personnel were engaged in the search for missing personnel, a humanitarian mission specifically authorized by the Agreement. The helicopters were clearly marked in orange, the color designating them as FPJMT vehicles. As is customary, the communist side had been notified in advance of the details of this search mission and had been invited to participate.

The United States condemns in strongest terms this unprovoked act by the communist side and deplores the unnecessary loss of life which has resulted. The United States is gravely concerned over this latest contemptible violation of the Agreement by the communist side. The United States notes that the communist side has consistently adopted a callous attitude toward the provisions of the Agreement that call for a full accounting of the missing-in-action. Now, not content with obstructing the implementation of those provisions through its indifference and total lack of cooperation, the communist side has again resorted to criminal acts to prevent their implementation.

The United States urges the Democratic Republic of Viet-Nam to promptly identify and punish those on its side who were responsible for the deplorable attack in Gia Dinh. Beyond that, the United States once again calls on the Democratic Republic of Viet-Nam to fulfill its undertakings as specified in the Agreement and to demonstrate in real terms its cooperation in accounting for the missing-in-action. The Democratic Republic of Viet-Nam will recognize clearly the grave responsibilities it has in this matter.

President Names Export Council and Interagency Committee

Following is a White House announcement issued on December 20, together with the text of a memorandum signed by President Nixon that day establishing the President's Interagency Committee on Export Expansion.

WHITE HOUSE ANNOUNCEMENT

White House press release dated December 20

President Nixon announced on December 20 the appointment of 22 persons as members of the President's Export Council. They are:

FLETCHER L. BYROM, of Pittsburgh, Pa., chairman of the board, Koppers Company, Inc., Pittsburgh. Mr. Byrom will serve as Chairman of the Council.

F. PERRY WILSON, of New York, N.Y., chairman of the board and chief executive officer, Union Carbide Corporation, New York. Mr. Wilson will serve as Vice Chairman of the Council.

JAMES H. BINNS, of Lancaster, Pa., president and director, Armstrong Cork Company, and director, Campbell Soup Company.

WERNER C. BROWN, of Wilmington, Del., president and chief executive officer, Hercules, Inc., Wilmington.

HUGH G. CHATHAM, of Elkin, N.C., chairman of the board, Chatham Manufacturing, Elkin; director, Business Foundation of North Carolina, North Carolina Textile Foundation, American Textile Manufacturers Association, and Hanes Dye and Finishing Company.

EDWARD W. COOK, of Germantown, Tenn., president of Cook and Company, Memphis, Tenn.

R. HAL DEAN, of Glendale, Mo., chief executive officer and director, Ralston Purina Company, St. Louis, Mo.

E. MANDELL DE WINDT, of Lyndhurst, Ohio, chairman and president of the board, Eaton Corporation, Cleveland, Ohio.

J. ROBERT FLUOR, of Pasadena, Calif., chairman of the board and chief executive officer, Fluor Corporation, Los Angeles, Calif.

JOHN L. HANIGAN, of Glencoe, Ill., president and chief executive officer, Brunswick Corporation, Chicago, Ill.

JOHN W. HANLEY, of St. Louis, Mo., president and chief executive officer, Monsanto Corporation, St. Louis.

JOHN D. HARPER, of Pittsburgh, Pa., chairman of the board, Aluminum Company of America, Pittsburgh.

ROBERT HATFIELD, of Greenwich, Conn., chairman of the board, president, and chief financial and executive officer, Continental Can Company, New York, N.Y.

MELVIN C. HOLM, of Fayetteville, N.Y., president, chief executive officer, and chairman of the board, Carrier Corporation, Syracuse, N.Y.

JOHN V. JAMES, of Dallas, Tex., president, chief executive officer, and director, Dresser Industries, Inc., Dallas.

REGINALD H. JONES, of Greenwich, Conn., chairman of the board, chief executive officer, and president, General Electric Company, New York, N.Y.

J. PAUL LYET, of Bronxville, N.Y., director, Sperry Rand Corporation, New York, N.Y.

DAVID C. SCOTT, of Milwaukee, Wis., chairman of the board, Allis Chalmers Corporation, Milwaukee.

MARK SHEPARD, JR., of Dallas, Tex., president, Texas Instruments, Dallas.

LYNN A. TOWNSEND, of Bloomfield Hills, Mich., chairman of the board and chief executive officer, Chrysler Corporation, Detroit, Mich.

CALVIN W. VERITY, JR., of Middletown, Ohio, chairman of the board, Armco Steel Corporation, Middletown.

T. A. WILSON, of Seattle, Wash., chief executive officer, Boeing Corporation, Seattle.

The President's Export Council was established on December 20 by Executive order.[1] On October 11, 1973, the President announced that he would establish the Council, and a new President's Interagency Committee on Export Expansion, also established on December 20. On October 11, the President also announced that he would appoint Mr. Byrom as Chairman and Mr. Wilson as Vice Chairman of the President's Export Council.

[1] No. 11753; for text, see 38 *Fed. Reg.* 34983.

The President's Export Council and the President's Interagency Committee on Export Expansion, working through the Council on International Economic Policy, will recommend short-term action to achieve material improvement in the U.S. trade account, long-term programs to achieve equilibrium in the U.S. balance of payments, and action to remove domestic impediments to U.S. exports and improve or supplement existing incentives.

MEMORANDUM FROM PRESIDENT NIXON

White House press release dated December 20

DECEMBER 20, 1973.

MEMORANDUM FOR:

THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF TRANSPORTATION
UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS
DEPUTY SECRETARY OF THE TREASURY
DEPUTY SECRETARY OF DEFENSE
ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION
PRESIDENT, EXPORT-IMPORT BANK OF THE UNITED STATES
CHAIRMAN, FEDERAL MARITIME COMMISSION
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
EXECUTIVE DIRECTOR, COUNCIL ON INTERNATIONAL ECONOMIC POLICY

This memorandum establishes the President's Interagency Committee on Export Expansion, which will report to the President through the Council on International Economic Policy. The Secretary of Commerce will serve as Chairman with the other addressees as members. The President's Interagency Committee on Export Expansion will ensure that programs and policies that affect the United States export performance are coordinated and operate effectively to achieve common objectives.

The Committee will identify, evaluate and make recommendations concerning impediments to U.S. exports, especially those which are under Federal control. It will also consider analysis of other aspects of the U.S. export performance such as the ongoing interagency evaluation of U.S. export promotion programs chaired by OMB.

The Committee will submit within 90 days its first report on recommendations concerning impediments to U.S. exports.

RICHARD NIXON.

Interest Equalization Tax Reduced

Treasury Department Announcement [1]

The Treasury Department today [December 26] announced that, pursuant to an Executive order signed by the President,[2] the interest equalization tax (IET) applicable to acquisitions of foreign stock and foreign debt obligations will be reduced from the present rate of approximately three-quarters of 1 percent to a new rate of approximately one-quarter of 1 percent. The new lower IET rate schedule will be applicable to trades and acquisitions of foreign stock or obligations made after December 31, 1973.

The IET has been in effect since July 1963 as a means of helping to restrain flows of capital from the United States into portfolio investments in other developed countries. Under the IET law, the President has authority to vary the effective rate of tax between zero and the equivalent of 1½ percent per annum on purchases of foreign securities subject to the tax. The last change in the rate of the tax was on April 5, 1969, when it was reduced from 1¼ percent to three-quarters of 1 percent per annum.

[1] Issued on Dec. 26 (Department of the Treasury press release). On the same day the Department of Commerce announced changes in the foreign direct investment program and the Board of Governors of the Federal Reserve System issued amendments to the voluntary foreign credit restraint guidelines. The Treasury Department also noted that it will be conferring with the Congress during 1974 on the question of eliminating the withholding and estate taxes applicable to foreign investors in the United States.

[2] No. 11754; for text, see 38 *Fed. Reg.* 35423.

U.N. General Assembly Adopts Convention on Protection of Diplomats

Following is a statement made in plenary session of the U.N. General Assembly on December 14 by U.S. Representative W. Tapley Bennett, Jr., together with the text of a resolution adopted by the Assembly that day.

STATEMENT BY AMBASSADOR BENNETT

USUN press release 134 dated December 14

This Assembly can justly be proud of having successfully completed its work on this important convention.

A debt of gratitude is owed to the International Law Commission. The Commission produced the excellent draft which was the basis of the Assembly's work and which by its excellence greatly facilitated our task. Since work of the highest caliber is what we can routinely expect from the Commission by now, it is worth noting that the Commission produced this draft at a single session in response to the request of the Assembly.

This effort which the Assembly has brought to fruition was in response to an urgent need. The long-established principle of the inviolability of diplomatic agents was being threatened by random acts of violence in various parts of the world. The continued effectiveness of diplomatic channels, the means by which states communicate with one another, has been jeopardized. Although the legal obligation to protect these persons was never questioned, the mechanism for international cooperation to insure that perpetrators of serious attacks against such persons are brought to justice, no matter to where they may flee, was lacking.

The Assembly here and now declares to the world that under no circumstances may a diplomat be attacked with impunity. In addition, the convention sets up a valuable legal mechanism which requires submission for prosecution or extradition of persons alleged to have committed serious crimes against diplomats. This mechanism is similar to that employed in the field of interference with civil aviation—specifically in the Hague (Hijacking) and Montreal (Sabotage) Conventions.[1] Indeed, many of the provisions of the new convention have been modeled on provisions of the Hague and Montreal Conventions. While the new convention in several cases makes drafting improvements or refinements, these are intended simply to clarify the intention of the previous conventions.

Paragraph 2 of article 1 defines the term "alleged offender." The definition, while couched in apparently technical language, must of course be read more broadly so it can be applied by the various legal systems. We shall regard it as incorporating the standard applied in determining whether there are sufficient grounds for extradition in accordance with normal extradition practice.

Article 2 of the convention defines the crimes covered. The Legal Committee decided to cover serious crimes, as was the initial intention of the International Law Commission. Subparagraph 1(a) has been clarified so that instead of referring to "violent attack" it refers to "murder, kidnapping or other attack." Obviously, the words "other attack" mean attacks of a similar

[1] For texts of the conventions, see BULLETIN of Jan. 11, 1971, p. 53, and Oct. 12, 1971, p. 465.

United States Signs Convention on Protection of Diplomats

Statement by William E. Schaufele, Jr.[1]

I am gratified to sign today on behalf of the United States the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents.

As Ambassador Bennett assured the plenary in his statement on this subject, in the two weeks since the adoption of the convention by the Assembly my government has undertaken an urgent review of the final text of the convention. We have concluded that the text on the whole is excellent. In signing the convention, the United States signifies its intention to begin the necessary process of submitting the convention to the Congress and of seeking appropriate legislation in order to put us in a position to be able to ratify the convention.

Since the United States thinks this convention should go into force as promptly as possible, we have acted with a sense of urgency. Both the International Law Commission and the General Assembly considered the adoption of this convention a most urgent matter. Indeed, the preamble of the convention itself points to the concern generated in the international community by attacks on diplomats. The United States hopes that all other governments will consider the matter with a similar sense of urgency and take prompt action so that this convention can be brought into force as promptly as possible on a wide geographical basis.

[1] Made at U.N. Headquarters on Dec. 28 (USUN press release 140). Ambassador Schaufele is U.S. Deputy Representative in the U.N. Security Council.

serious nature to those expressly mentioned —murder and kidnapping. Covering threats, attempts, and accessoryship is appropriate because of the initial seriousness of the acts covered under subparagraphs (a) and (b) of paragraph 1.

The crimes covered in paragraph 1 of article 2 are those to which reference is made throughout the convention by the phrase "the crimes set forth in Article 2." Paragraph 3 of article 2 does not add to the crimes covered by the convention but merely states a basic fact that would be true whether or not this paragraph were included in the convention.

Together with articles 1, 2, and 3, articles 6, 7, and 8 join to form the basic mechanism of the convention. This mechanism is obviously central to the object and purpose of the convention, and without it the convention could not operate effectively.

Article 6 establishes the obligation upon states parties to insure the continued presence for the purpose of prosecution or extradition of an alleged offender when he is on the territory of that state party. The phrase "upon being satisfied that the circumstances so warrant" merely reflects the fact that before a state may take action it must know of the presence of the alleged offender in its territory.

The obligation in article 7 is clearly stated to be "without exception whatsoever." It forms a central part of the mechanism of the convention.

Several articles in the convention deal with cooperation among states in the prevention and punishment of the covered crimes. These are articles 4, 5, 6, 10, and 11. Article 4 deals with taking all practicable measures to prevent preparation for the commission of the covered crimes. The United States understands this obligation to refer to doing the utmost to prevent attempts to commit such crimes or conspiracy to commit such crimes. Article 10 is notable in that it substantially improves the prospects for proper presentation of cases when prosecutions are conducted outside the territory of the state party in whose territory the crime was committed. In such cases assistance in connection with the criminal proceedings, as well as the supply of all evidence at the disposal of other states parties, including witnesses who are willing or can be convinced to attend proceedings in another state, will be necessary for the mechanism of the convention to operate successfully.

Article 12 is a compromise article which was the result of a difficult negotiation. While the United States does not see the need for such an article in this convention, we recog-

nize that there are some other countries that believe it essential that such an article be included. This having been said, we worked cooperatively with those countries to draft an article that is limited in its scope and clear in its language. The article states that this convention shall not affect the application of treaties on asylum in force as between parties to those treaties *inter se*. That is to say, even if the alleged offender is present on the territory of one party to such a treaty and the state on the territory of which the crime has taken place is also a party to such a treaty, if the internationally protected person attacked exercised his functions on behalf of a state not party to such a treaty or the alleged offender was a national of a state not party to such a treaty, the state where the alleged offender is present may not invoke that treaty with respect to the non-party state. Thus, the non-party state can hold the state where the alleged offender is present to its obligations under article 7 and may, if it wishes, request extradition under article 8.

The United States would have preferred a stronger dispute-settlement provision than the one contained in article 13. The U.S. delegation made proposals to this end during the negotiations. However, many countries preferred to follow the model of the Hague and Montreal Conventions. Nonetheless, we are gratified that minor technical improvements have been made in paragraph 1 of article 13, which we consider reflect more precisely the intention of the drafters of the provisions in the Hague and Montreal Conventions.

We are also pleased that an acceptable compromise has been arrived at with regard to the final clauses which permits the widest possible adherence to the convention without placing the Secretary General in an impossible position.

Since the Assembly did such excellent work in completing the convention, we were pleased to vote in favor of the resolution which constitutes the formal act of adoption of the convention. Such a resolution constitutes the procedural step by which the international community, whether operating in the context of the General Assembly or a diplomatic conference specially convened for the purpose, concludes its legislative actions. While this resolution contains some paragraphs which we would not have considered necessary, we nevertheless see no particular harm in their inclusion since they do not purport to impinge—and of course cannot impinge—upon the convention. One such paragraph restated propositions we were all pleased to accept in the authoritative Friendly Relations Declaration at the 25th session. It is perhaps always useful to recognize fundamental human rights, including the legitimate exercise of the right of self-determination in accordance with the charter.

Regarding the injunction in paragraph 6 of the resolution to the United Nations to publish the resolution in conjunction with the convention, we consider that this requires the convention to be published as part of the United Nations volumes of resolutions of the General Assembly; in addition, the idea of including the resolution in the treaty series for information purposes could be regarded as useful in that those referring to the treaty series can conveniently have ready access to the resolution.

The convention will be opened for signature today, and my government has begun the necessary review of the final text in order to enable us to sign it before the end of the year. We hope a number of others will do likewise.

The convention would not have been possible without the positive cooperation of all regional groups. Such cooperation was forthcoming, and as a result this Assembly has a major positive achievement.

TEXT OF RESOLUTION [2]

The General Assembly,

Considering that the codification and progressive development of international law contributes to the implementation of the purposes and principles set forth in Articles 1 and 2 of the Charter of the United Nations,

[2] U.N. doc. A/RES/3166 (XXVIII); adopted by the Assembly without objection on Dec. 14.

Recalling that in response to the request made in General Assembly resolution 2780 (XXVI) of 3 December 1971, the International Law Commission, at its twenty-fourth session, studied the question of the protection and inviolability of diplomatic agents and other persons entitled to special protection under international law and prepared draft articles on the prevention and punishment of crimes against such persons,

Having considered the draft articles and also the comments and observations thereon submitted by States and by specialized agencies and intergovernmental organizations in response to the invitation made in General Assembly resolution 2926 (XXVII) of 28 November 1972,

Convinced of the importance of securing international agreement on appropriate and effective measures for the prevention and punishment of crimes against diplomatic agents and other internationally protected persons in view of the serious threat to the maintenance and promotion of friendly relations and co-operation among States created by the commission of such crimes,

Having elaborated for that purpose the provisions contained in the Convention annexed hereto,

1. *Adopts* the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, annexed to the present resolution;

2. *Re-emphasizes* the great importance of the rules of international law concerning the inviolability of and special protection to be afforded to internationally protected persons and the obligations of States in relation thereto;

3. *Considers* that the annexed Convention will enable States to carry out their obligations more effectively;

4. *Recognizes also* that the provisions of the annexed Convention could not in any way prejudice the exercise of the legitimate right to self-determination and independence in accordance with the purposes and principles of the Charter of the United Nations and the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations by peoples struggling against colonialism, alien domination, foreign occupation, racial discrimination and *apartheid;*

5. *Invites* States to become parties to the annexed Convention;

6. *Decides* that the present resolution, whose provisions are related to the annexed Convention, shall always be published together with it.

ANNEX

Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents

The States Parties to this Convention,

Having in mind the purposes and principles of the Charter of the United Nations concerning the maintenance of international peace and the promotion of friendly relations and co-operation among States,

Considering that crimes against diplomatic agents and other internationally protected persons jeopardizing the safety of these persons create a serious threat to the maintenance of normal international relations which are necessary for co-operation among States,

Believing that the commission of such crimes is a matter of grave concern to the international community,

Convinced that there is an urgent need to adopt appropriate and effective measures for the prevention and punishment of such crimes,

Have agreed as follows:

Article 1

For the purposes of this Convention:

1. "internationally protected person" means:

(a) a Head of State, including any member of a collegial body performing the functions of a Head of State under the constitution of the State concerned, a Head of Government or a Minister for Foreign Affairs, whenever any such person is in a foreign State, as well as members of his family who accompany him;

(b) any representative or official of a State or any official or other agent of an international organization of an intergovernmental character who, at the time when and in the place where a crime against him, his official premises, his private accommodation or his means of transport is committed, is entitled pursuant to international law to special protection from any attack on his person, freedom or dignity, as well as members of his family forming part of his household;

2. "alleged offender" means a person as to whom there is sufficient evidence to determine *prima facie* that he has committed or participated in one or more of the crimes set forth in article 2.

Article 2

1. The intentional commission of:

(a) a murder, kidnapping or other attack upon the person or liberty of an internationally protected person;

(b) a violent attack upon the official premises, the private accommodation or the means of transport of an internationally protected person likely to endanger his person or liberty;

(c) a threat to commit any such attack;

(d) an attempt to commit any such attack; and

(e) an act constituting participation as an accomplice in any such attack

shall be made by each State Party a crime under its internal law.

2. Each State Party shall make these crimes punishable by appropriate penalties which take into account their grave nature.

3. Paragraphs 1 and 2 of this article in no way derogate from the obligations of States Parties under international law to take all appropriate measures to prevent other attacks on the person, freedom or dignity of an internationally protected person.

ARTICLE 3

1. Each State Party shall take such measures as may be necessary to establish its jurisdiction over the crimes set forth in article 2 in the following cases:

(a) when the crime is committed in the territory of that State or on board a ship or aircraft registered in that State;

(b) when the alleged offender is a national of that State;

(c) when the crime is committed against an internationally protected person as defined in article 1 who enjoys his status as such by virtue of functions which he exercises on behalf of that State.

2. Each State Party shall likewise take such measures as may be necessary to establish its jurisdiction over these crimes in cases where the alleged offender is present in its territory and it does not extradite him pursuant to article 8 to any of the States mentioned in paragraph 1 of this article.

3. This Convention does not exclude any criminal jurisdiction exercised in accordance with internal law.

ARTICLE 4

States Parties shall co-operate in the prevention of the crimes set forth in article 2, particularly by:

(a) taking all practicable measures to prevent preparations in their respective territories for the commission of those crimes within or outside their territories;

(b) exchanging information and co-ordinating the taking of administrative and other measures as appropriate to prevent the commission of those crimes.

ARTICLE 5

1. The State Party in which any of the crimes set forth in article 2 has been committed shall, if it has reason to believe that an alleged offender has fled from its territory, communicate to all other States concerned, directly or through the Secretary-General of the United Nations, all the pertinent facts regarding the crime committed and all available information regarding the identity of the alleged offender.

2. Whenever any of the crimes set forth in article 2 has been committed against an internationally protected person, any State Party which has information concerning the victim and the circumstances of the crime shall endeavour to transmit it, under the conditions provided for in its internal law, fully and promptly to the State Party on whose behalf he was exercising his functions.

ARTICLE 6

1. Upon being satisfied that the circumstances so warrant, the State Party in whose territory the alleged offender is present shall take the appropriate measures under its internal law so as to ensure his presence for the purpose of prosecution or extradition. Such measures shall be notified without delay directly or through the Secretary-General of the United Nations to:

(a) the State where the crime was committed;

(b) the State or States of which the alleged offender is a national or, if he is a stateless person, in whose territory he permanently resides;

(c) the State or States of which the internationally protected person concerned is a national or on whose behalf he was exercising his functions;

(d) all other States concerned; and

(e) the international organization of which the internationally protected person concerned is an official or an agent.

2. Any person regarding whom the measures referred to in paragraph 1 of this article are being taken shall be entitled:

(a) to communicate without delay with the nearest appropriate representative of the State of which he is a national or which is otherwise entitled to protect his rights or, if he is a stateless person, which he requests and which is willing to protect his rights; and

(b) to be visited by a representative of that State.

ARTICLE 7

The State Party in whose territory the alleged offender is present shall, if it does not extradite him, submit, without exception whatsoever and without undue delay, the case to its competent authorities for the purpose of prosecution, through proceedings in accordance with the laws of that State.

ARTICLE 8

1. To the extent that the crimes set forth in article 2 are not listed as extraditable offences in any extradition treaty existing between States Parties, they shall be deemed to be included as such therein. States Parties undertake to include those crimes as extraditable offenses in every future extradition treaty to be concluded between them.

2. If a State Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another State Party with which it has no extradition treaty, it may, if it decides to extradite, consider this Convention as the legal basis for extradition in respect of those crimes.

Extradition shall be subject to the procedural provisions and the other conditions of the law of the requested State.

3. States Parties which do not make extradition conditional on the existence of a treaty shall recognize those crimes as extraditable offences between themselves subject to the procedural provisions and the other conditions of the law of the requested State.

4. Each of the crimes shall be treated, for the purpose of extradition between States Parties, as if it had been committed not only in the place in which it occurred but also in the territories of the States required to establish their jurisdiction in accordance with paragraph 1 of article 3.

ARTICLE 9

Any person regarding whom proceedings are being carried out in connexion with any of the crimes set forth in article 2 shall be guaranteed fair treatment at all stages of the proceedings.

ARTICLE 10

1. States Parties shall afford one another the greatest measure of assistance in connexion with criminal proceedings brought in respect of the crimes set forth in article 2, including the supply of all evidence at their disposal necessary for the proceedings.

2. The provisions of paragraph 1 of this article shall not affect obligations concerning mutual judicial assistance embodied in any other treaty.

ARTICLE 11

The State Party where an alleged offender is prosecuted shall communicate the final outcome of the proceedings to the Secretary-General of the United Nations, who shall transmit the information to the other States Parties.

ARTICLE 12

The provisions of this Convention shall not affect the application of the Treaties on Asylum, in force at the date of the adoption of this Convention, as between the States which are parties to those Treaties; but a State Party to this Convention may not invoke those Treaties with respect to another State Party to this Convention which is not a party to those Treaties.

ARTICLE 13

1. Any dispute between two or more States Parties concerning the interpretation or application of this Convention which is not settled by negotiation shall, at the request of one of them, be submitted to arbitration. If within six months from the date of the request for arbitration the parties are unable to agree on the organization of the arbitration, any one of those parties may refer the dispute to the International Court of Justice by request in conformity with the Statute of the Court.

2. Each State Party may at the time of signature or ratification of this Convention or accession thereto declare that it does not consider itself bound by paragraph 1 of this article. The other States Parties shall not be bound by paragraph 1 of this article with respect to any State Party which has made such a reservation.

3. Any State Party which has made a reservation in accordance with paragraph 2 of this article may at any time withdraw that reservation by notification to the Secretary-General of the United Nations.

ARTICLE 14

This Convention shall be open for signature by all States, until 31 December 1974 at United Nations Headquarters in New York.

ARTICLE 15

This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 16

This Convention shall remain open for accession by any State. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 17

1. This Convention shall enter into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 18

1. Any State Party may denounce this Convention by written notification to the Secretary-General of the United Nations.

2. Denunciation shall take effect six months following the date on which notification is received by the Secretary-General of the United Nations.

ARTICLE 19

The Secretary-General of the United Nations shall inform all States, *inter alia*:

(a) of signatures to this Convention, of the deposit of instruments of ratification or accession in

accordance with articles 14, 15 and 16 and of notifications made under article 18.

(b) of the date on which this Convention will enter into force in accordance with article 17.

ARTICLE 20

The original of this Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Convention, opened for signature at New York on 14 December 1973.

U.S. Approves UNHCR Efforts To Secure Rights for Refugees

Following is a statement made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on November 26 by U.S. Representative Clarence Clyde Ferguson, Jr., together with the text of a resolution adopted by the committee on November 27 and by the Assembly on December 14.

STATEMENT BY AMBASSADOR FERGUSON

USUN press release 118 dated November 26

My government wishes to commend the High Commissioner for his excellent report.[1] It is a particular pleasure for me to note the fine humanitarian work that he is doing throughout the world. I personally count it a privilege to have been able to work with the High Commissioner on other occasions on many matters of great import.

Perhaps no other group has suffered the almost complete deprivation of human rights as have had refugees. No other group has been so shorn of hope. It is the task of the U.N. High Commissioner for Refugees (UNHCR) to rebuild that hope. This requires above all the restoration to refugees of a great many of those very rights which are so clearly enunciated in the Universal Declaration of Human Rights.

We consider that Prince Sadruddin Aga Khan has brought the influence of his office to bear, in the most salutary fashion, upon the lives of refugees the world over. His humanitarian work has also contributed significantly to the stability of the countries of asylum for refugees.

My government has consistently stressed the overriding importance of the function of international protection of refugees among the activities of the UNHCR. In the first instance it is essential that effective safe haven or asylum be secured for refugees. The provision of asylum is the function and the duty of the country into which the refugee has fled. But it is likewise the duty of the High Commissioner to maintain close coordination with governments of asylum countries, with the view to insuring that the forcible return of refugees to their country of origin—refoulement—shall not take place. Indeed, the High Commissioner is given a supervisory function in that respect by two international treaties—the 1951 U.N. Convention and the 1967 Protocol Relating to the Status of Refugees.

These treaties are surely two of the most important instruments yet formulated to implement the Universal Declaration of Human Rights. Both treaties recognize the priority need for protecting the actual safety of the refugee. Some 67 nations have thus far acceded to one or both of these international treaties. Yet it remains true that roughly one-half of the nations of the world have not yet accepted either treaty. My government applauds the High Commissioner for his unrelenting efforts to secure further ratifications of the refugee convention and protocol.

My government finds it particularly disturbing to learn that cases of refoulement continue to occur. We deplore the fact that any country would knowingly depart from the time-honored U.N. principle that any repatriation of refugees must be voluntary,

[1] U.N. doc. A/9012.

and we lend our complete support to the persistent efforts of the High Commissioner toward terminating this practice.

As the committee knows, the two refugee treaties also contain provisions which would guarantee a number of specified rights to refugees which are fully consistent with the provisions of the Universal Declaration of Human Rights. These rights in toto form the basis enabling the refugee to cease being a refugee and through his own efforts to take his place in the life of his new community, living in dignity, self-support, and self-respect. The High Commissioner for Refugees has carried out thoroughgoing measures vis-a-vis contracting parties to these treaties in the effort to secure their full and rightful implementation in the territories concerned.

My government was interested and gratified that the World Peace Through Law Center, at its sixth biennial world conference held at Abidjan in August 1973, devoted major attention to the subject of international protection for refugees. I was pleased to have been able to participate in the conference. The conference stressed the direct link between the achievement of world peace and the attainment of human rights for refugees. We applaud this concentration of attention on this subject on the part of a broad cross section of the most eminent of the world's lawyers and judges, and we will watch with great interest the progress of followup action planned by the World Peace Through Law Center.

The UNHCR has extended life-sustaining assistance to hundreds of thousands of refugees through his material assistance program. The High Commissioner has done this through projects which from their inception are designed to lead ultimately to the complete rehabilitation of the refugee.

As the High Commissioner notes, the purpose of UNHCR assistance is to enable the refugee to cease being a refugee. Thus, we applaud the High Commissioner's constant efforts with asylum countries to facilitate naturalization of refugees. Here the High Commissioner has used his material assistance program as an essential complement to his international protection function. The end objective is to remove the refugee from dependence on international resources and to assimilate him in new national communities with all the rights and protections enjoyed by nationals.

I cannot conclude these remarks without particular recognition of the splendid performance of the UNHCR in carrying out the special duties assigned him by the Secretary General. First, we wish to commend the High Commissioner for his successful efforts in providing care and maintenance and finding resettlement opportunities for the stateless Asians of Uganda. In this connection I may note that the United States provided 1,500 resettlement opportunities in the United States for stateless Asians from Uganda.

At the request of the Secretary General, as the Assembly is aware, the High Commissioner continued his emergency relief program within the Sudan through October of this year. My government wishes to congratulate the UNHCR on the completion with great efficiency of an important and difficult operation. The United States in 1972, and subsequently, contributed a very substantial portion of the total contribution to the UNHCR budgets for the Uganda Asian and Sudanese programs.

Finally, my government wishes to express its full confidence that the UNHCR will be successful in carrying out his special assignment as Executive Agent in coordinating the exchange of persons in South Asia. The High Commissioner has already displayed great imagination and an exemplary sense of urgency in pursuit of this historic task. My government is making initial contributions totaling $2,150,000 to this special program.

We should all be grateful that the High Commissioner has achieved such a large measure of success, in both his regular and his special assignments, and that he is pressing so insistently toward necessary ends which have not yet been achieved. Of equal import is the fact that the High Commissioner has maintained all of his activities on a completely nonpolitical basis. This has been one of the key reasons for his great success in

giving meaning to the Universal Declaration of Human Rights as it touches upon the lives of refugees.

TEXT OF RESOLUTION [2]

The General Assembly,

Having considered the report of the United Nations High Commissioner for Refugees concerning the activities of his Office and having heard his statement,

Noting with appreciation the manner in which the High Commissioner has, in accordance with the relevant resolutions of the General Assembly and the Economic and Social Council and the directives of the Executive Committee of the High Commissioner's Programme, carried out essential humanitarian actions,

Bearing in mind the importance of the increasingly useful co-operation between the High Commissioner and other members of the United Nations system, resulting in better co-ordination of action and greater efficiency in fields of common interest,

Recognizing the importance of voluntary repatriation as a permanent solution to the problem of refugees and the useful role played by the High Commissioner in co-operation with other members of the United Nations system and non-governmental agencies in assisting them,

Noting with satisfaction the increasing number of Governments contributing to the High Commissioner's programme and the generous attitude adopted by Governments in supporting various activities of the High Commissioner,

Commending accessions to the Convention relating to the Status of Refugees of 1951, the protocol relating to the Status of Refugees of 1967 and other relevant instruments,

1. *Expresses its deep satisfaction* at the efficient manner in which the United Nations High Commissioner for Refugees and his staff continue to accomplish their humanitarian task, and appeals to him to consider favourably his re-election on account of the unflagging dedication which he has manifested since he assumed the responsibilities of his present post;

2. *Requests* the High Commissioner to continue his assistance and protection activities in favour of refugees within his mandate as well as for those to whom he extends his good offices or is called upon to assist in accordance with relevant resolutions of the General Assembly;

3. *Requests* the High Commissioner to continue his efforts, in co-operation with Governments, United Nations bodies and voluntary agencies, to promote permanent and speedy solutions through voluntary repatriation, assistance in rehabilitation where necessary, integration in countries of asylum or resettlement in other countries;

4. *Urges* Governments to continue to lend their support to the High Commissioner's humanitarian action by:

(a) Facilitating the accomplishment of his task in the field of international protection;

(b) Co-operating in the promotion of permanent solutions to refugee problems;

(c) Providing the necessary means to attain the financial targets established with the approval of the Executive Committee of the High Commissioner's Programme.

[2] U.N. doc. A/RES/3143 (XXVIII); adopted by the Assembly without objection on Dec. 14.

U.S. Votes for November 1974 World Food Conference

Following is a statement made in plenary session of the U.N. General Assembly on December 17 by U.S. Representative W. Tapley Bennett, Jr., together with the text of a resolution adopted by the Assembly that day.

STATEMENT BY AMBASSADOR BENNETT

USUN press release 136 dated December 17

I wish to express the appreciation of my government for the cooperation of all members who have contributed their time and their ideas to the consideration of plans for the World Food Conference. It is a credit to the United Nations system that in the short time since this matter was proposed to the General Assembly in late September, it has been reviewed and approved by the 17th General Conference of the Food and Agriculture Organization, the Economic and Social Council, the Second Committee, and now the General Assembly.

My government takes satisfaction in events leading to passage by the General Assembly of the resolution calling for the convening of a World Food Conference. Secretary Kissinger called attention to the

pressing nature of the problem in his speech to the General Assembly on September 24 when he said:

> The growing threat to the world's food supply deserves the urgent attention of this Assembly. Since 1969, global consumption of cereals has risen more rapidly than production; stocks are at the lowest levels in years. We now face the prospect that—even with bumper crops—the world may not rebuild its seriously depleted reserves in this decade.

My government believes that a World Food Conference can significantly assist the world community in meeting this challenge of global proportions. The purpose of the conference, as we and many other delegates here have noted, would be to explore means to maintain adequate food supplies in the face of rising world demand and to prevent hunger and malnutrition resulting from national disasters. The conference will offer an opportunity to agree on principles applicable to all governments in this effort.

The U.S. proposal for a World Food Conference is fully consistent with the multilateral trade negotiations just now beginning. We believe that they are complementary. Questions of trade and of the supply and demand for food are highly interrelated. On the one hand we hope to see the multilateral trade negotiations reaching agreement on specific commitments by countries to deal with all the factors that underlie trade distortions and trade in agricultural products specifically. We see the World Food Conference, on the other hand, not as a negotiating forum for agricultural trade issues but as an opportunity for arriving at generally accepted principles and objectives in the agricultural field which can facilitate negotiations in other international fora.

Turning to preparations for the food conference, we are pleased to note that there is general agreement that the conference should be preceded by a careful analysis of factors directly relevant to the food situation. In our view this review should include assessment of the demand and supply outlook, the projected pace of technological change, and the prospects of the developing countries improving their food production, both for their own domestic consumption and for export. We believe that this type of information will provide an essential basis for effective planning by the international community.

Mr. Chairman, it is generally recognized that increasing food production in developing countries is a fundamental requirement if we are to assure long-term world food security. Increasing this food production, as many delegates have pointed out, involves a vast range of agricultural, trade, and developmental issues—issues that often transcend the strictly agricultural field. A single conference cannot reach useful decisions on all these questions. Accordingly, we believe that the World Food Conference must concentrate on a few key issues where improved international cooperation can reasonably be expected to produce substantial results quickly.

For example, one means of increasing food availabilities within a relatively short time in the developing countries lies in devising more effective measures to prevent the large crop losses which regularly occur as a result of pests, plant diseases, and inadequate storage facilities.

Another measure, on which work is already being done, is the maintenance of adequate stocks of food to enable the world to cope effectively with shortfalls in production and surges in demand. The World Food Conference may wish to build on the work of the Food and Agriculture Organization in this field by developing a set of principles that would define the responsibilities of all countries for the maintenance of adequate stocks. In this connection, attention should also be paid to the role of independently held commercial stocks as an important part of world food reserves.

In addition to food reserves, the United States believes that food aid and disaster relief are areas that would benefit from improved international coordination. Guidelines for both donor and recipient nations should be worked out that will insure that food aid is used as effectively as possible, both to meet disaster relief needs and also to encourage agricultural productivity.

Mr. Chairman, the United States believes

that the nations of the world have in the World Food Conference a unique opportunity to rededicate themselves to the goal of providing sufficient food for all the world's people, a goal which, as Secretary Kissinger said on September 24, is an essential element and a prerequisite for the sort of world community we all seek.

TEXT OF RESOLUTION [1]

The General Assembly,

Recognizing that the principal task of a world food conference, on which the greatest effort should be concentrated, consists in developing ways and means whereby the international community as a whole could take specific action to resolve the world food problem within the broader context of development and international economic co-operation,

Believing that a world food conference would provide members with a forum in which to bring about the improvement of world food security and emergency assistance,

Recognizing that the conference should, in the first instance, place emphasis on additional measures for increasing the food production, consumption and trade of developing countries,

Recalling that the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September 1973, called for the convening, as a matter of urgency, of a conference on food problems at the ministerial level, sponsored jointly by the Food and Agriculture Organization of the United Nations and the United Nations Conference on Trade and Development, and further recalling the proposal of the United States of America for the convocation of a world food conference under the auspices of the United Nations,

1. *Decides* to convene a World Food Conference under the auspices of the United Nations for about two weeks, in November 1974, in Rome;

2. *Recommends* that the Conference be an intergovernmental conference at the ministerial level;

3. *Entrusts* the Economic and Social Council with over-all responsibility for the Conference;

4. *Requests* the Secretary-General, after consultation with the Director-General of the Food and Agriculture Organization of the United Nations and the Secretary-General of the United Nations Conference on Trade and Development, to appoint as soon as possible a Secretary-General of the Conference, and to set up a small Conference secretariat drawing particularly upon the expertise and competence of the Food and Agriculture Organization of the United Nations, the United Nations Conference on Trade and Development and other relevant bodies of the United Nations system;

5. *Recommends* that in preparing for the World Food Conference, proper account be taken of the recommendations of the seventeenth Conference of the Food and Agriculture Organization of the United Nations and of the recommendations made by legislative bodies of other organizations in the United Nations system concerning the goals and objectives of the Conference, as requested by the Economic and Social Council in its decision of 18 October 1973;

6. *Invites* all the competent organizations of the United Nations system to collaborate closely in the organization of the Conference;

7. *Accepts* with appreciation the invitation of the Government of Italy to act as host to the Conference in Rome.

[1] U.N. doc. A/RES/3180 (XXVIII); adopted by the Assembly without vote on Dec. 17.

Ambassador Martin To Coordinate U.S. Participation in Food Conference

Secretary Kissinger announced on December 21 (press release 467) the appointment of Ambassador Edwin M. Martin as Coordinator of U.S. participation in the World Food Conference. The U.N. General Assembly adopted unanimously on December 17 a resolution providing that the conference should be held in November 1974. The holding of the conference was proposed by Secretary Kissinger in his inaugural speech to the U.N. General Assembly in September. Ambassador Martin, who will report directly to the Secretary of State, will take up his new duties early in 1974. (For biographic data, see press release 467.)

United States Opposes Move To Change Representation of Cambodia in the United Nations

Statement by W. Tapley Bennett, Jr.
U.S. Representative to the U.N. General Assembly [1]

Last week this Assembly discussed means of strengthening the United Nations. During that debate the United States called attention to the growing tendency of some of our members to propose simplistic one-sided resolutions on the most complex and difficult of issues, resolutions often totally unacceptable to the parties concerned. My delegation pointed out then that in divorcing itself from reality in this manner, the General Assembly was weakening its ability to have impact on the real problems we face in many parts of the world.

Regrettably, the resolution we are considering today is particularly notable both for its one-sidedness and for its failure to take account of the real situation as it presently exists in Cambodia and in East Asia. One can only wonder at the curious twists of logic which have produced a resolution through which some members of the nonaligned movement appear to support great-power hegemony in Asia, through which self-proclaimed revolutionary governments appear to support the divine right of a royal pretender, and through which some of those among us who are the most vociferous in denouncing outside interference in the affairs of sovereign states now propose that this Assembly instruct the Khmer people on who is to represent them.

Certainly the complexities of the issue before us are worthy of a more balanced, considered approach than that taken by this resolution. One must wonder whether its sponsors have thought through seriously the consequences of what they propose. Have they asked themselves, for example, why it is that only one East Asian member government supports seating Prince Sihanouk's "government"?

Many delegations here have been quick to voice their concern over any appearance of great-power domination and their resentment whenever they believe they sense the possibility of a great-power dictate. Have they, I wonder, thought about the implications of this resolution for Asia? Have they asked the views of their many East Asian colleagues? Have they considered that they would be siding with the great power of the area against the smaller ones?

Yesterday the distinguished Representative of Thailand referred to the views of seven Asian and Pacific states—Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, and Thailand. These states have formulated their position on the issue before us and have circulated it among the U.N. membership in document A/9254. I believe that all of us have an obligation to examine these views carefully. Many members here have, in other circumstances, insisted on the importance of giving primacy to states of a region or their regional grouping in seeking solutions to problems of their respective area. In this case, it seems to me,

[1] Made in plenary session of the U.N. General Assembly on Dec. 5 (USUN press release 126, corr. 1).

we are fortunate to have a regional consensus before us, and we should certainly give it the greatest weight in our considerations.

The argumentation made in support of the "Royal Government of National Union of Cambodia" seems to rest largely on the principle that since Prince Sihanouk is at its head, it must be the true government of Cambodia. But with all due respect to Prince Sihanouk's once intimate, often constructive role in earlier Cambodian developments, I submit that we can find some more objective and reliable criteria for deciding who governs Cambodia. Better yet, can we not allow the Cambodian people the privilege of making this determination themselves? The Cambodian people have not, so far as I know, granted Prince Sihanouk any irrevocable right to rule over them. Neither, I submit, should we.

Among the sponsors of the resolution before us are some of the most vocal supporters of the principle of noninterference in the internal affairs of sovereign states. Have they fully considered the basic conflict between this principle and support for a resolution by which foreigners would tell the Khmer people who is to represent them in this world organization?

It is hard to conceive of a more gross or more blatant interference in the internal affairs of a member state. If this were to become a precedent, who is to say what member state in this Assembly might not be the next victim of such a procedure?

All of us who have been reading the international press—reputable journals such as *Le Monde* of Paris and the Guardian of Britain, which enjoy a large audience here in the United Nations—are aware that Prince Sihanouk himself admits that he is not in control of his "government" and that his "government" is not in control of Cambodia. Prince Sihanouk does not head a government-in-exile; he is a non-government-in-exile. Have the supporters of the resolution before us given thought to the precedent they are setting in seeking to have the United Nations decide the issue of Cambodian representation not on the basis of who actually governs Cambodia, but rather who they would like to have govern Cambodia?

But let us leave the never-never land of the "Royal Government of National Union of Cambodia" and resolution A/L.714. Let us turn our attention to the real world, to what has happened in Cambodia, what is happening, and what my delegation believes most of us hope will happen.

In March of 1970, Prince Norodom Sihanouk was removed as the Chief of State of Cambodia by a unanimous vote of the Cambodian Parliament under the terms of the constitution then in effect, the constitution that Prince Sihanouk himself had proclaimed. The complaint against the Prince which led to his removal was his open and since publicly admitted complicity with North Vietnamese forces in the prosecution of their war against the Republic of Viet-Nam. His activity included his giving permission for large-scale use of Cambodian territory by South Vietnamese Communists and the North Vietnamese Army over a period of years. This occupation began to supplant the indigenous Cambodian inhabitants and, in a de facto manner, to annex the areas occupied. Here is the real intervention by a foreign force. This is the intervention that began the tragedy of Cambodia.

The removal of Prince Sihanouk was not a palace coup. It resulted from popular disaffection and general discontent with the then existing situation. The initial demonstrations began in the provinces, protesting North Vietnamese occupation of their territory, and quickly spread to the capital, culminating in the Parliament's unanimous decision to remove Prince Sihanouk from the office.

I might note that Prince Sihanouk's removal from office was not accompanied by any change of government. The government in existence at the time had been chosen by the Prince in August of the preceding year, and the Parliament had been elected in 1966 from his own political organization. This government remained in office, reiterated its adherence to all treaties and agreements, and

made no substantive changes in its own composition.

No sooner had the Cambodian Government made the single change of removing Sihanouk and begun negotiations with Vietnamese Communist representatives for the withdrawal of their troops from Cambodia, than those troops began to attack police and army posts in and near their areas of occupation, to widen their zones of control, and to protect their base areas. How many here protested that interference by foreign forces in the internal affairs of a member state?

Following his removal from office, Sihanouk turned to an insurgent group which he had previously tried, with considerable success, to suppress, the Khmer Rouge, and to the Vietnamese occupation forces in an effort to regain his personal power. He himself has chosen to live in Peking. The principal bases of his mandate to rule Cambodia—North Vietnamese troops, Chinese diplomacy, and an externally supported insurgency—do not enhance the legitimacy of his claim.

The situation at present is that the Government of Cambodia is fighting alone, without the assistance of foreign troops or foreign advisers, against a local insurgency led, equipped, and substantially assisted by the forces of a foreign country, North Viet-Nam.

The Government of the Khmer Republic has never ceased to maintain its clear control of the machinery of government, the support of a great majority of the population, and administration of the crucial urban areas and territories in which the greatest portion of the economic, social, and political life of the Khmer people takes place. It thus commands the resources and enjoys the support of the people of the state and consequently is in a position to carry out the obligations of Cambodia under the U.S. Charter.

My delegation flatly rejects as untrue the assertions by the delegation of Algeria and the delegation of China that the insurgents in Cambodia control a majority of the Khmer people. We have all, of course, unfortunately grown accustomed to the shrill insistence of the Algerian delegation that they must be the one-sided arbiter of almost every issue that comes before this body, and few will be surprised to know that the Algerian delegation has resorted to gross invention and exaggeration.

The General Assembly should be more concerned that the delegation of China has, regrettably, chosen to repeat the false charges and misstatements of fact which we heard from its representative in the General Committee. And I am sorry to see that it has once again employed harsh invective against my country. Repetition does not make false allegations and misstatements of fact true. China is, after all, a permanent member of the Security Council. We believe China's privileged position in this organization entails certain responsibilities, including the responsibility of the Chinese delegation to present its views in a reasonable tone, free from propaganda excesses and intentional inaccuracies.

It is true that North Vietnamese and insurgent forces have disrupted government control, in the military sense, of some parts of the territory of Cambodia. Claims by the insurgents and their foreign supporters that they control 90 percent of the territory and 80 percent of the population are patently false. The deep water port of Kompong Som and 16 of the 20 Provincial capitals are controlled by the Government of the Khmer Republic. The four Provincial capitals excepted, all in the northeast of the country, were abandoned to the North Vietnamese Army in June of 1970. The bulk of the Khmer population lives along the lines of communications and rivers. These are generally controlled by forces loyal to the government in Phnom Penh. We estimate that more than 70 percent of the population is administered by the Government of the Khmer Republic.

The territory in which the North Vietnamese and the Khmer Rouge hold sway is primarily rural in character. The areas of cen-

tral importance to the main functions of government and the social patterns of Cambodian life, as well as the major markets and other ports, are clearly under full government control. Neutral foreign observers are free to visit the areas under Phnom Penh control and do so as a matter of course. It should also be noted that even in those areas under the military control of North Vietnamese and insurgent forces, a large part of the population retains its allegiance to the Government of the Khmer Republic. The thousands of refugees who flee the fighting in contested zones go only to territories in which the government has clear control.

In any case, the fact that government control of certain parts of the territory of Cambodia has been interrupted by North Vietnamese and insurgent forces has no necessary relationship to the question of the degree of effective authority exercised by the self-styled Sihanouk "government." That entity, which has long had its base in a foreign capital far distant from the territory of Cambodia, has not even demonstrated its control over the insurgent forces operating in Cambodia. Nor is there any indication that that entity controls any sort of administrative machinery which might exercise governmental authority in territory under the military control of insurgent and North Vietnamese forces.

The fighting in Cambodia goes on, and as long as the North Vietnamese are willing to continue, there is no end in sight. Should we, in view of this long, costly, and still-unresolved conflict, conclude that the Khmer people were wrong to resent and resist foreign aggression? Should we declare that they were naive to believe their country could avoid the domination of its powerful neighbors to the north? Should we now explain to them that they must accept a regime based in Peking, that they must allow North Viet-Nam to occupy and control much of their territory, and that they must never again seek to change their policies, nor their Chief of State, without first securing the approval of China, North Viet-Nam, and this Assembly? We cannot believe that states valuing their own sovereignty and represented in this Assembly would display such arrogance in trying to dictate to the people of a member state of the United Nations.

As for the Khmer people, they chose not to accept the dictates of a cynical *realpolitik* which took no account of their national pride, their dignity, and their freedom. In removing Prince Sihanouk from office, the Government of Cambodia sought to preserve its neutrality, its independence, and its sovereignty, national rights which it felt Prince Sihanouk had ceased to defend. Are we to tell the Khmer people that these principles are only words, that they do not apply to small, weak states with strong aggressive neighbors? Has this organization so forgotten the ideals of its founders? Have we so departed from the principles of our charter?

Clearly there is much disagreement among us as to how the present situation in Cambodia came about or as to how it should be resolved. But the United States would hope that we could all agree that a negotiated settlement is preferable to a military solution. Let us all read the public statements and study the private actions of the Government of the Khmer Republic, and on the other hand those of Prince Sihanouk, to determine which of the two is truly seeking peace, which of the two has offered to negotiate, and which of the two has accepted the need for conciliation. It is the Government of the Khmer Republic that has repeatedly stated its willingness to negotiate a political settlement. It is Prince Sihanouk and the Khmer Rouge who seek to prolong the violence and the bloodshed. Let us not therefore seek to discredit those who are seeking a peaceful settlement. Let us not take any action which can only complicate the situation and further block the path to peace.[2]

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[2] On Dec. 5 the Assembly adopted, by a rollcall vote of 53 (U.S.) to 50, with 21 abstentions, a motion that consideration of the item be adjourned until the 29th General Assembly.

U.S. Discusses Situation in Namibia

Statement by W. Tapley Bennett, Jr.[1]

Given recent events, it is entirely fitting and in fact necessary that the Council again review the unique role of the United Nations with regard to Namibia and that we examine the situation in the territory. We would like to take this opportunity to thank the Secretary General for his conscientious efforts in carrying out his mandate under the terms of Security Council Resolutions 309, 319, and 323 and to express our appreciation for the detailed report of April 30 on his contacts with representatives of the Government of South Africa.[2] With hindsight, perhaps it would have been more useful had the Council met sooner to consider the conclusions reached by the Secretary General in his report.

It has been nearly two years since the Council first invited the Secretary General to initiate contacts to enable the people of Namibia to exercise their right to self-determination. The situation in Namibia today appears on the surface much as it was when Resolution 309 was passed. It has been said, accordingly, that the contacts between the Secretary General and the South African Government have not been successful in meeting the objectives set by the Council.

Rather than simply accepting this assertion, however, let us examine what has taken place. Through the Secretary General's consultations, U.N. officials visited Namibia, examined conditions firsthand, and met with Namibians. These visits were a concrete illustration to the people of the territory, and to the world, of the U.N.'s concern and responsibility for Namibia.

We should not undervalue the Secretary General's achievement in obtaining South Africa's assurances on Namibia. Foreign Minister Muller stated that South Africa would respect the wishes of the whole population in Namibia and would allow all political parties "full and free participation in the process leading to self-determination and independence." He added that South Africa had no intention of delaying self-determination and would cooperate with the Secretary General to determine measures to achieve this goal. The South African Government also asserted that it did not foresee the sudden independence of individual population groups. On balance—and I believe that history will support this view—we believe that the Secretary General's efforts have been beneficial to U.N. involvement in the Namibian question.

We have followed recent events in Namibia, however, with deepening concern. We believe that the South African Government could have avoided, and still can avoid, such developments which call into question its good faith. We have in mind in particular that government's persistence in implementing its so-called homelands policy in evident contradiction to previous assurances given the Secretary General. The numerous arrests, the arbitrary suppression of political activity, and the public floggings of dissidents conflict sharply with the tenor of South Africa's statements to the Secretary General.

The reaction of my own government to South Africa's illegal presence in Namibia in fact predates these moves. Since May 1970 we have followed a policy of discouraging further American investment there and have advised potential investors that we will not intercede to protect their investments against claims of a future legitimate government in that territory.

As Council members will recall, it was on July 29, 1970, that the Security Council requested the International Court of Justice to give an advisory opinion on the following question: What are the legal consequences for states of the continued presence of South Africa in Namibia, notwithstanding Security Council Resolution 276 (1970)?

The United States participated in both the written and oral phases of the argument of the case. The U.S. position was that the

[1] Made in the U.N. Security Council on Dec. 11 (USUN press release 131). Ambassador Bennett is U.S. Deputy Representative to the United Nations.

[2] U.N. doc. S/10921.

United Nations had succeeded to the supervisory powers of the League of Nations over the mandate granted South Africa to administer Namibia and that therefore the General Assembly had validly terminated that mandate by its Resolution 2145 of October 27, 1966. The United Nations had assumed direct responsibility for the territory, and South Africa was under an obligation to withdraw its administration. Until it did so, however, its responsibilities to the people of Namibia continued. On June 21, 1971, the Court handed down its advisory opinion, the conclusions of which were consonant with the U.S. position.

The United States regrets, Mr. President, that South Africa has not abided by the spirit of its discussions with the Secretary General. Yet we are reluctant to eliminate the possibility of future talks. As we are all aware, a number of seemingly intractable international conflicts and problems have been solved during the past several years by patient, dogged negotiations. Are the people of Namibia not deserving of similar efforts? The United States continues to believe that such discussions are also the most realistic way of gaining self-determination for the people of Namibia. A number of questions concerning South Africa's plans for Namibia require more specific replies. What timetable does South Africa propose for Namibia's self-government? What steps is South Africa willing to take now to improve political and social conditions in the territory? The Secretary General should be free to seek answers and to look into the welfare of Namibians reportedly arrested for speaking with visiting U.N. officials.

We should not delude ourselves that progress toward Namibian self-determination will be quick. As the Secretary General has cautioned, time and protracted discussion will be required. Nonetheless, we believe contacts between the Secretary General and South Africa are valuable in illuminating South Africa's policies and actions. It is negotiation on Namibia, as on other differences, which holds the promise of ultimate success.

No matter what one might think of the sincerity of the South African Government, responses already given to the Secretary General by Foreign Minister Muller represented important departures from previous policy. They signal openings which are admittedly narrow but which we believe to be worth further exploration.[3]

U.N. Defers Action on Proposal for Human Rights Commissioner

Following is a statement made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on December 5 by U.S. Representative William F. Buckley, Jr., together with the text of a resolution adopted by the committee on December 4 and by the Assembly on December 14.

STATEMENT BY MR. BUCKLEY

USUN press release 125 dated December 5

My government desires to explain its abstention yesterday on the two votes in this committee that followed the truncated debate on the motion of creating a High Commissioner for Human Rights.[1]

It is our understanding that the purpose of this committee is to devise means of promoting human rights around the world. The arguments of those opposed to the creation of a High Commissioner appeared to center on the concern that said High Commissioner would interfere in the internal affairs of their countries. Our understanding was that suitable precautions against such interferences, in violation of the United Nations Charter, were built into the pending pro-

[3] In a resolution (S/RES/342 (1973)) adopted unanimously on Dec. 11, the Security Council decided "to discontinue further efforts on the basis of resolution 309 (1972)" and requested the Secretary General "to keep the Security Council fully informed about any new important developments concerning the question of Namibia."

[1] On Dec. 4 the United States abstained on a separate vote on the words "thirtieth session" in operative paragraph 3 of the draft resolution, as well as on the draft resolution as a whole.

posal. On the other hand, we cannot deny that there is a sense in which the mere espousal of human rights in an international organization is to interfere philosophically with the internal affairs of some countries. Human rights is an ideal to which we all pay lipservice. Even the best intentioned among us serve that ideal asymptotically; in some societies, with such studied unsuccess as to call into question whether we can really call human rights a shared ideal. Among those who spoke yesterday in opposition to a High Commissioner for Human Rights were states who would have you believe that such is the congestion of human rights within their frontiers that it is necessary to surround themselves with great walls and oceans to prevent these human rights from emigrating.

My government registers its sorrow that all the work that in the last eight years has gone into the concept of a High Commissioner, who might have proved technically useful in promoting human rights, has apparently been of no avail. We regret that the noble resolution proposed by the distinguished delegates of Sweden and Costa Rica, for which we intended enthusiastically to vote, was not submitted for action in this chamber.

Mr. Chairman, why did the United States then abstain on the proffered resolution, as amended?

For one thing there was the lack of clarity.

It was not clear yesterday, and it is no clearer this morning—indeed, my distinguished colleagues appear to be divided on the interpretation—what exactly is the meaning of the phrase "alternative approaches" as used in the third paragraph of the adopted resolution, recording that we have decided to include in the provisional agenda of the 30th session of the General Assembly an item entitled "Alternative approaches and ways and means within the United Nations system for improving the effective enjoyment of human rights and fundamental freedoms."

"Alternative" suggests a choice. As used in the adopted resolution, it could be held to mean "other than." Other than what? Other than a High Commissioner? But this committee has not rejected the idea of a High Commissioner. It can only be understood, by all members here present, as having agreed to postpone action. The ambiguity, however, remains. Since the Government of the United States is in favor of a High Commissioner for Human Rights, it is obvious that we could not vote for a resolution which might be interpreted as suggesting that we reject a Human Rights Commissioner as a means of promoting the cause of human rights. It is more likely, Mr. Chairman, that the majority of my distinguished colleagues intended that the phrase "alternative approaches" meant something more accurately given as "supplementary approaches"; that is to say, approaches—not excluding a High Commissioner—for improving the effective enjoyment of human rights and fundamental freedoms that go beyond those approaches already institutionalized in the United Nations.

However, Mr. Chairman, even if that ambiguity had been clarified, my government could not in good conscience have voted to put off stimulating the pursuit of human freedoms until the 30th session of the General Assembly. To suggest, as one of my distinguished colleagues did, that we need more time in order to permit our ideas to "mature" is a melancholy reflection on the priorities given to human liberty, reminding us that in the recorded history of our planet, human rights are as a grain of sand in a huge beach. It is, as several of my colleagues suggested yesterday, infinitely disappointing to the people of the world that the United Nations does not do more of a concrete nature to serve the cause of human rights. It is grotesque that the United Nations should decline formally to meditate the problem until 1975. If, as the Secretary General said on a recent occasion, to satisfy the human hunger for rights is as necessary in its way as to satisfy the human hunger for bread, then we can be held to have acted as callously as the keeper of the granary who will wait two years before listening to the supplications of the hungry.

Even so, Mr. Chairman, my government

could not vote *against* any resolution that commits us to the search for means of improving the effective enjoyment of human rights and fundamental freedoms at any time, not even if the resolution had called for turning our attention to the subject in 1985 rather than 1975.

This, then, the explanation of my government, most respectfully registered.

TEXT OF RESOLUTION [2]

The General Assembly,

Recalling its resolution 2841 (XXVI) of 18 December 1971 and Economic and Social Council resolution 1237 (XLII) of 6 June 1967,

Taking note of the deliberations of the General Assembly, since its twentieth session, on the item entitled "Creation of the post of United Nations High Commissioner for Human Rights",

Taking note also of the note by the Secretary-General on the question,[3]

Bearing in mind the Proclamation of Teheran of 13 May 1968,[4]

Having regard to the existing machinery and procedures within the United Nations system for the implementation of human rights and fundamental freedoms, to the proceedings of the various organs and bodies of the United Nations and to the various modalities suggested in the course of the deliberations of those bodies for the more effective implementation of human rights and fundamental freedoms,

Expressing its hope that the International Covenants on Human Rights will enter into force in the near future,

1. *Reaffirms* its conviction that further measures should be considered to ensure universal realization of human rights and fundamental freedoms for all without distinction of any kind;

2. *Decides* to keep under review the consideration of alternative approaches and ways and means within the United Nations system for improving the effective enjoyment of human rights and fundamental freedoms;

3. *Decides* accordingly to include in the provisional agenda of its thirtieth session an item entitled "Alternative approaches and ways and means within the United Nations system for improving the effective enjoyment of human rights and fundamental freedoms".

[2] U.N. doc. A/RES/3136 (XXVIII); adopted by the Assembly on Dec. 14 by a recorded vote of 105 to 0, with 23 abstentions, the United States voting in favor of the resolution.

[3] U.N. doc. A/9139.

[4] For text of the proclamation adopted by the U.N. International Conference on Human Rights at Tehran on May 13, 1968, see BULLETIN of Sept. 2, 1968, p. 258.

TREATY INFORMATION

Current Actions

MULTILATERAL

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 29, 1971. Entered into force April 18, 1973.

Notification from World Intellectual Property Organization that ratification deposited: United States, December 10, 1973.

Enters into force: United States, March 10, 1974.

Postal Matters

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.

Ratification deposited: Guinea, July 26, 1973.

Money orders and postal travellers' cheques agreement, with detailed regulations and forms. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971; for the United States December 31, 1971. TIAS 7236.

Ratification deposited: Guinea, July 26, 1973.

Property—Industrial

Convention of Paris for the protection of industrial property of March 20, 1883, as revised. Done at Stockholm July 14, 1967. Articles 1 through 12 entered into force May 19, 1970; for the United States August 25, 1973. Articles 13 through 30 entered into force April 26, 1970; for the United States September 5, 1970. TIAS 6923.

Notification of intention to apply transitional provisions: Uruguay, November 19, 1973.

Property—Intellectual

Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14,

1967. Entered into force April 26, 1970; for the United States August 25, 1970. TIAS 6932.
Accession deposited: Sudan, November 15, 1973.
Notification of intention to apply transitional provisions: India, November 19, 1973.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972; for the United States October 9, 1973.
Proclaimed by the President: November 21, 1973.

Whaling

International whaling convention and schedule of whaling regulations. Done at Washington December 2, 1946. Entered into force November 10, 1948. TIAS 1849.
Adherence deposited: Brazil, January 4, 1974.

Protocol to the international whaling convention of December 2, 1946 (TIAS 1849). Done at Washington November 19, 1956. Entered into force May 4, 1959. TIAS 4228.
Adherence deposited: Brazil, January 4, 1974.

BILATERAL

Brazil

Agreement establishing a cooperative program for the operation and maintenance of a network of rawinsonde observation stations in Brazil. Effected by exchange of notes at Rio de Janeiro March 12, 1968. Entered into force March 12, 1968. TIAS 6500.
Terminated: November 19, 1973.

Iran

Air transport agreement, with exchange of notes. Signed at Tehran February 1, 1973.
Entered into force: January 9, 1974.

Agreement extending the agreement of October 6, 1947, as amended and extended (TIAS 1666, 1924, 2068, 2947, 3112, 3520, 6594, 6886, 7070, 7207, 7576), relating to a military mission. Effected by exchange of notes at Tehran August 8 and December 12, 1973. Entered into force December 12, 1973.

Italy

Treaty on extradition. Signed at Rome January 18, 1973.[1]
Ratified by the President: November 21, 1973.

Khmer Republic

Agreement amending the agreement for sales of agricultural commodities of July 25, 1973 (TIAS 7703). Effected by exchange of notes at Phnom Penh December 14, 1973. Entered into force December 14, 1973.

[1] Not in force.

Paraguay

Treaty on extradition. Signed at Asunción May 24, 1973.[1]
Ratified by the President: November 21, 1973.

Uruguay

Treaty on extradition and cooperation in penal matters. Signed at Washington April 6, 1973.[1]
Ratified by the President: November 21, 1973.

Viet-Nam

Agreement amending the agreement for sales of agricultural commodities of November 9, 1973. Effected by exchange of notes at Saigon December 18, 1973. Entered into force December 18, 1973.

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International Field Year for the Great Lakes. Agreement with Canada. TIAS 7698. 7 pp. 25¢. (Cat. No. S9.10:7698).

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Agricultural Commodities. Agreement with the Khmer Republic. TIAS 7703. 10 pp. 25¢. (Cat. No. S9.10:7703).

Mutual Defense Assistance. Agreement with Luxembourg amending annex B to the agreement of January 27, 1950. TIAS 7705. 3 pp. 25¢. (Cat. No. S9.10:7705).

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No.	Date	Subject
*11	1/7	Sonnenfeldt sworn in as Counselor of the Department (biographic data).
*12	1/7	Isham sworn in as Ambassador to Haiti (biographic data).
*13	1/8	Ingersoll sworn in as Assistant Secretary for East Asian and Pacific Affairs (biographic data).
†14	1/10	Kissinger, Simon: joint news conference.
*15	1/11	Dale sworn in as U.S. Representative to the European Office of the United Nations (biographic data).

* Not printed.
† Held for a later issue of the BULLETIN.

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BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXX, No. 1806
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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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Secretary Kissinger and Federal Energy Administrator Simon Hold Joint News Conference

Following is the transcript of a news conference held on January 10 by Secretary Kissinger and William Simon, Administrator, Federal Energy Office.

Press release 14 dated January 10

Secretary Kissinger: Well, I wanted to welcome His Majesty the energy czar to the State Department. We will do this press conference in two parts. I will talk about the foreign policy aspects of the President's letter to the consumer nations and also to the OPEC [Organization of Petroleum Exporting Countries] members;[1] and Mr. Simon will discuss the relationship of this initiative to the domestic energy concerns, and we will both take questions on that subject. Then, at an appropriate point, we will switch to other foreign policy subjects, which I alone will answer, Mr. Simon. [Laughter.]

Mr. Simon: I can understand that, because at the appropriate time, Mr. Secretary, you will press a button and I will disappear into the ground. [Laughter.]

Secretary Kissinger: So let me discuss the philosophy and intention behind the letters which the President has sent yesterday to the consuming nations, as well as to the members of OPEC.

It is the President's conviction that the energy crisis reflects a basic problem for the entire international community for the foreseeable future that today concerns energy but that in the future may concern other raw materials or foodstuffs where incentives for supply are out of proportion to the demand.

We face two major problems in connection with energy. One is that demand has far outstripped incentives for supply. The second is that the rise in prices that has been decided upon by the OPEC countries recently, and the pattern that may be established as a result of this, may have a revolutionary impact on the world economy, affecting balance of payments of all of the advanced as well as the less developed consuming nations and creating a situation in which the producing nations, as well, can become victims of their own actions and in which there exists as of this moment no framework in which comprehensive long-range decisions can be taken.

If anything was needed to illustrate the interdependence of nations in this world, it is what has happened in the field of energy.

No single country is capable of solving the problem by itself. Indeed, no group of countries, as between consumers and producers, can solve the problem by themselves. And therefore we feel very strongly that what the President has proposed should not be seen as a confrontation between consumers and producers; rather, it should be seen as creating a framework within which decisions can be taken by both consumers and producers that take into account the long-term necessities of both sides and that can assure a constructive evolution of the world economy and of international relations and can prevent certain very dangerous and potentially catastrophic consequences.

We are proposing to proceed in two or three stages.

The invitation to the Foreign Ministers conference on February 11 was addressed to the nations comprising the High Level Oil Committee of the OECD [Organization for Economic Cooperation and Development]. They are the nations that import 75 to 80 percent of the world's energy imports. They

[1] See p. 123.

are the nations that have worked together on that committee to take certain emergency measures.

The President has proposed that the meeting be moved to the Foreign Ministers level because the issues that have been raised, both on the supply side as well as by the increase in prices, now far transcend the technical issues that are normally involved in simply allocating available energy sources.

However, we view this meeting as a prelude to a discussion with other consuming nations, especially consuming nations from the less developed parts of the world, who have been even more profoundly affected in terms of their capacities by the recent price rises than the developed nations. Our estimate is that their bill may approach $30 billion, which of course far exceeds any of the aid flows that anyone has ever projected and indeed makes the whole international aid program a problematical and different exercise compared to the additional exactions that have been imposed on these countries.

And we will move from there, with the agreement, of course, of the countries concerned, to a meeting between consumer nations, both developed and less developed nations, and the producing nations, in order to assess and to develop a pattern of supply that is just to the concerns of all of the countries concerned, that will produce prices that are sustainable over an indefinite future, and that will discuss the impact on the world economy, in which all of these nations will live, of the energy needs on a global scale.

Tasks for Energy-Consuming Countries

At the meeting of the consumers, the first task will have to be to see whether we can come to an agreement about the nature of the problem that is facing us—whether the consuming nations can agree between themselves about the impact of the supply situation on their economies and the necessities that are produced for all of their economies by the prices that now exist.

We believe it is important that we will discuss together alternative sources of energy, efforts to pool the research and development efforts of the major consuming countries, and attempts to share between the major consuming countries the energy sources that become available as a result of these efforts. Therefore we believe that it may be appropriate that working groups be formed to study these problems, as well as the international economic problems that are raised by the present patterns. And Secretary [of the Treasury George P.] Shultz will raise some of these issues at the C–20 [International Monetary Fund Committee of Twenty] meetings that he is attending in Rome next week.

Now, we are aware of the fact that there are temptations toward bilateral arrangements. And we, of course, are in the best position of any consuming country to engage in bilateral efforts on our own. We have substantial sources of energy in our own country. We have large capabilities for research and development. And we are in possession of much of the advanced technology that is necessary in exploring the seabeds, for example.

Nevertheless, we believe that unrestricted bilateral competition will be ruinous for all of the countries concerned and that the seeming victories that can be achieved will be at the cost of world stability and of the world economy. And therefore, even though we are well placed in this competition and even though we have the capability to withstand it better than any potential competitor, we believe that it is essential for all of the developed countries to understand that we are now truly interdependent and that it is a problem that must be solved on a common basis if we are not going to suffer very severe consequences for international stability and for the international economy.

We also, in the developed nations, have a special obligation toward the consuming developing nations, so that as a result of the situation that has developed so suddenly, the hard-won gains of 20 years of effort are not dissipated and the international efforts to bring about a greater equality between the developed and less developed nations are not

destroyed as a result of decisions that certainly did not take all the consequences into account.

So, as far as the consuming nations are concerned, the energy situation, and what it portends for the future, will be a test of the whole approach toward the international system that we and other developing nations have pursued—and other developed nations have pursued toward each other and toward developing nations for the last 25 years.

It is a test of the proposition that the world has become truly interdependent and that isolation and selfish approaches must be destructive for all concerned.

Problem of Global Significance

As for the relations between the consuming and the producing nations, the same is essentially true. In the framework that now exists, the producing nations have no alternative except to maximize their short-term benefits. There does not exist a framework in which they can assess the impact on them of the changes in the economies of the developed nations that are produced by the producing nations. And therefore the evolution that the President is proposing, which seeks a greater understanding by the consuming nations of the whole range of their energy concerns as well as of the impact on energy needs on their economies, provides also a framework within which the producing nations can guarantee to themselves the international stability within which alone the seeming benefits that they are gaining can be maintained.

The basic conviction of the President and of his associates is that it is a problem of truly global significance in which selfish advantages cannot be attained, or if attained, cannot be sustained, either among consuming nations or between consuming and producing nations. It is in this spirit that the United States will make its proposals, first at the meeting on February 11, and at the subsequent meetings that will, we hope, flow from that. And it will be in a spirit that we are constructing a solution for all of mankind, and not of particular benefit to any one segment of it, that the President has addressed both the consuming and the producing nations to start a process which we hope will provide long-term answers to the problem of supply as well as to the problems of the economy.

Now, Bill, would you like to talk about the domestic side?

Domestic and International Approaches

Mr. Simon: Basically the energy policy of the United States, domestic as well as international, can be broken down into five parts.

From the domestic side, number one, we must establish a new energy ethic. We must reduce demand in this country, as you have all often heard me say. With a nation that has 6 percent of the world's population and consumes 35 percent of the world's energy, we have been a nation of great energy wastrels. There is great waste in our consumption. This must be reduced. We must have this change in lifestyles that I have spoken about so often.

A new government relationship must be forged with the domestic as well as international energy problem and energy industries. We must create this agency in government that brings together for the first time all components of energy under one roof so that we can more effectively deal with this problem.

Fourth, and most important, is what we like to call Project Independence. The energy problem, as far as the United States is concerned, is the most infinitely soluble problem in our country today. We have been blessed with a superabundance of natural resources and technology. We have the ability to become self-sufficient. We are today domestically 85 percent self-sufficient in energy —that other 15 percent is going to be achieved over the next decade to decade and a half.

And finally, this dovetails with what Secretary Kissinger has been explaining: international cooperation.

Our domestic goals are completely compat-

ible with our international role of reducing demand, of the apportionment of critically short supplies, not only during short-term emergencies such as this but to deal with the long-term energy problem. And this problem is not going to go away, domestically or internationally, even after the embargo is lifted. This has been a problem that you have been warned about for years in the United States. The embargo is what brought it home. Demand continues to rise at 4 to 5 percent domestically. Our production peaked in 1970. Our exploration peaked in 1956. We have to get about the regeneration of our coal industry domestically, the utilization of oil shale—a Manhattan-type project, or comparable to the synthetic rubber experience during World War II, to utilize the imagination, technology, and just great thrust of this free enterprise system.

Our technology—we must work with other nations of the world in sharing our technology, the development with them of alternate sources of energy.

And, finally, world oil prices. Obviously, we must deal with these world oil prices, because the long-term interests of the world are best served by a world economy that is healthy.

I look forward to working with my colleagues in the State Department in moving forward with the rest of the world in solving this very difficult problem.

Thank you.

Secretary Kissinger: If I can just add one point to what Mr. Simon said: As the United States achieves self-sufficiency in energy and, in time, surplus, we are prepared, as part of these discussions with the other consuming nations, as well as with any other interested nation, to discuss sharing our energy sources as they develop over the long-term future and, above all, to share the research and development efforts.

Q. Mr. Simon and Mr. Secretary, to deal with the present hard situation, the oil price squeeze, to what extent do you think the oil companies themselves have created a fanciful situation? Should they be implicated in our minds with the problems we are undergoing? I have heard no mention from either of you about the role of the oil companies in the future. How about the present, though? Is this oil squeeze some of their doing?

Mr. Simon: Actually, you did hear me allude in one of my five parts, as far as our energy policy is concerned—and that was the second part, the new government relationship that is going to be forged—that we are going to have to take a brandnew look at what the government role is to be, internationally as well as domestically, in our energy industry.

Q. Are you including pricing, sir?

Mr. Simon: I would include pricing. I would include government negotiation versus the way it is done now, in a company-to-government manner. I would not preclude looking at absolutely everything but would not give you any final solution today until we forge this new role that government is going to hold. Industry and government cooperation to bring on the alternate sources of energy—there are many things that must be done.

Immediate and Long-Term Problems

Q. Mr. Secretary—

Secretary Kissinger: Peter [Peter Lisagor, Chicago Daily News].

Q. How do both of you reconcile the statements of the President with what you have just said? The President said that we must become self-sufficient—and I think you, Mr. Simon, have said it often, you have just said it—so that we would not be subject to blackmail from foreign sources or dependent upon foreign sources. Secretary Kissinger says we are a world that is truly interdependent and we can't solve this problem alone. Now, how do you reconcile those two views?

Mr. Simon: Well, that basically—Mr. Secretary, would you like to start? [Laughter.]

Secretary Kissinger: We can solve probably the immediate problem of energy by a

unilateral effort, although it would still leave a gap of about five to ten years in which this 15 percent shortage of which Mr. Simon spoke would exist. So when the President speaks of achieving independence, he is talking about the late seventies, early eighties. He is not talking of any short-term future.

Secondly, as I indicated in my presentation, we could probably achieve, even in the period between 1970 and 1980, a preferential position for ourselves by an exercise of bilateral diplomacy, using the strength of our economy and our political strength to achieve a preferred position with respect to energy. And it could be that we will be driven to this. But the intent to do so would heighten the difficulties of all other consuming nations in this interim period. And therefore we believe that as we achieve greater independence with respect to energy, we must let the other nations participate in this effort.

The problem of bringing in new sources of energy, expanding our research and development, is not an effort which we should conduct, if we have a choice, entirely by ourselves.

And therefore, while we can in time become independent, our preferred course would be to use our technological capability to help solve the problems on a common basis, because if the economies of other nations—if one looks at the statistics, for example, of the impact on the balance of payments of other developed countries of the price rises, they have a really revolutionary impact for the other countries; they have a relatively less decisive impact on us.

Nevertheless, if the economies of other countries are weakened, in time the world economy will suffer. And therefore we may bring about a situation in which it will be demonstrated that no nation can prosper in isolation.

Q. Mr. Secretary, do you have any hope that by the time the conference begins on February 11 there will be any resumption of Arab oil deliveries, and what effect, if that were to take place, would that have on the conference?

Secretary Kissinger: You ladies and gentlemen know that we have a firm policy, in this building at least, not to put any deadlines on our expectation with respect to the embargo. Nevertheless, the problem that I have described here is essentially independent of the embargo. Even if there had been no embargo, the problem would have existed on both levels that I have indicated. It would have existed on the level of supply, because unless the producing nations increased their production there would have been a shortfall in any event; and it would of course have existed on the level of price, independent of the embargo.

So what we are proposing here is not a device to get the embargo ended. But of course it remains our strong conviction that the embargo is becoming increasingly inappropriate and it is a matter that should be considered seriously by those countries imposing it. But this is not the purpose of these conferences.

Q. Dr. Kissinger, there has been a situation described here today in which we are, in the United States, 85 percent self-sufficient and we have other countries, our allies, that are 80 percent dependent on foreign sources of oil. Is the United States prepared to start sharing now, before this conference begins, in order to discourage efforts at bilateral deals?

Secretary Kissinger: The conference is proposed for February 11 or any other convenient day in that week. We will put before those nations—the nations that have been invited—and before all other interested nations our ideas as to the long-term evolution of the energy situation. The purpose of this conference is not to prevent nations between now and February 11 from making bilateral deals. The argument with respect to bilateral deals is a more fundamental one than the immediate situation. It has to do with the impact on everybody of unrestricted competition once it is unleashed.

Do you want to say something?

Q. Mr. Secretary, could you elaborate, sir,

on your statement at the outset of your presentation that there may be shortages in other commodities? Was this a reference to food?

Secretary Kissinger: One looks ahead over the next 10 to 15 years. It is conceivable, though not in such an acute form, that other raw materials may become scarce in relation to demand, and we saw temporarily some pressure on the food situation last year. I think it behooves all nations to take a look at their long-term problems so that we can deal thoughtfully with them before they become acute.

Now, as you know, we have proposed a World Food Conference which will address itself to these issues. And we have started, within our government, a study of what may happen with respect to other commodities over the next 10 years. And if our conclusions should lead us to the view that a repetition of some of these difficulties could arise, we hope to make proposals at an early time.

Participation in Energy Conference

Q. Mr. Secretary, since the Eastern Europeans have not been invited—

Secretary Kissinger: I have to understand the system by which this works, where one points to one person and—

Q. Oh, were you looking at somebody else?

Secretary Kissinger: Well, it's my glasses. [Laughter.]

Q. Since the Eastern European countries have not been invited, how will this conference have an impact—what will be the impact of this conference on détente with the Soviet Union? Two, aren't we getting into the position of 1947–48 when the Marshall plan was launched that precipitated in some form the cold war? And three, perhaps you can say what will be the impact of the conference on countries which are not invited at present but have hopes for entry? I mean how will they get in?

Secretary Kissinger: With respect to the East European countries, it is our understanding that the Socialist countries of Eastern Europe are substantially self-sufficient as of this moment through their cooperative arrangements. We see no reason why this should produce in any sense the cold war, or a resumption of the cold war, because there is no stretch of the imagination by which this could be construed as directed against the Soviet Union or against any other group of nations. It is an attempt to produce a common solution.

Secondly, with respect to the participation of other countries—we are prepared, for example, if the European Community should feel that all its members should participate in this conference and that there should not be preferential membership—we would be prepared to carry out what I said in my Pilgrims speech, that it is up to the European Community to decide the form and nature of its participation.

Thirdly, after the conclusion of the meeting of the consumers, we would be prepared to extend an essentially open-ended invitation to other interested parties to participate in those fields of the work of the consumers, and consumers and producers, that is appropriate to them.

We have no intention here of producing a closed club. But it is important to point out that the nations that are invited between themselves represent 75 to 80 percent of all the energy imports in the world, which is going to be one of the chief topics.

Let me turn over here.

Q. Mr. Secretary—

Secretary Kissinger: I'm so terrified of Mr. O'Leary [Jeremiah O'Leary, Washington Star-News] that I am ready to recognize him. Go ahead.

Q. Mr. Secretary, you spoke earlier of, if need be, using the strength of our economy and our political strength. What forms of political strength do you have in mind?

Secretary Kissinger: First, when you talk

about the strength of the economy, it is clear that if the balance of payments situation is as we described it, we could withstand competitive bidding better than some other nations. Secondly, since we have long-established political relationships with many of the producing countries, we are not badly placed to deal with those countries in a bilateral context.

I repeat, however, that this is not our preferred solution, that the temporary benefits that one would gain by this approach would in the long term damage even the United States.

Q. Mr. Secretary, Secretary of Defense [James R.] Schlesinger the other day suggested that the energy crisis might produce pressures to use force to get oil. How serious do you consider the dangers of countries going to war over oil?

Secretary Kissinger: Well, as I understood Secretary Schlesinger, he was explaining theoretical situations that might arise if the squeeze became excessive. If I understand him correctly, he also pointed out that this point had not yet been reached. So it is hard to answer your question.

But why don't we save the purely foreign policy questions for a little later?

Study of Impact of Rising Oil Prices

Q. Mr. Secretary, are you convinced that it will be necessary to roll back oil prices which have already been announced in order to prevent a worldwide depression?

Secretary Kissinger: Well, all of the economic experts that have studied the problem believe that the bill, as it stands now, cannot be paid by most of the countries concerned. Now, what the remedy to this is—whether it is a reduction of prices or some other method —I think I would like to defer the answer on that until our own studies have been further advanced.

We hope to put forward some suggestions at the meeting in February. But we have not been able to come up with any conclusive answers ourselves—unless Mr. Simon is hiding them from us.

Q. Well, I would like to hear what Mr. Simon thinks about this.

Mr. Simon: I think that, as I said, the long-term interests of the world are best served in a world economy that is healthy. And one must gauge the impact of these prices on the world economy, and it must be done on a country-by-country basis. As the Secretary says, these studies cannot be done overnight. Before we gauge the impact to see whether or not we must roll back these prices, we have to complete this work. And it will be completed before the conference.

Secretary Kissinger: Marvin [Marvin Kalb, CBS News].

Q. Mr. Secretary, I was going to ask you —at the last news conference you said that you were not increasingly irritated by the continuing embargo, and yet some people might draw that conclusion from your comment today, from perhaps the indirect comment of the Defense Secretary a few days ago, the Vice President a few days ago. And I was wondering whether there is here an attempt to orchestrate what might be interpreted as a national threat, and if that is the case, what kind of threat?

Secretary Kissinger: Well, all of you who know the essential equanimity of my nature would find it difficult to believe that I would be irritated.

Of course our government is convinced, as I have pointed out at every press conference that I have held on this subject since November, that we understand the reasons that led some producing nations to impose an embargo at a time when they perceived us to be taking sides in a military conflict in which they were engaged.

At the same time, since we were the country that played a principal role in ending that conflict, since we are the country that, after the end of that conflict, has made the major effort to promote a just and lasting settlement and to produce whatever progress has

been achieved in the negotiations, or contribute to producing it, we believe it is inappropriate to maintain the postures of confrontation that existed before. This reflects no irritation. It reflects a statement of our conviction. And since the various parts of our government are obviously in communication with each other, it should not surprise you that the various members say essentially the same thing.

Mr. O'Leary.

Pitfalls of Bilateral Arrangements

Q. Mr. Secretary, you have spoken about the pitfalls of bilateral arrangements. Some nations have already taken care of their bilateral requirements, notably France. What makes you think France has any interest at all in whatever you might have to say to them on February 11 or beyond, and what kind of cards do the industrial nations of the world really have to play in the decade ahead against the countries that have the oil that we are not at this moment prepared to share with them as we will later?

Secretary Kissinger: Well, Mr. O'Leary, I don't believe that it is correct to say that France has taken care of its needs. France has made an arrangement for a small part of its needs on a bilateral basis. And other nations no doubt may make bilateral arrangements.

Our point is that an unrestricted bilateralism is going to be counterproductive for all the countries concerned, including those who may steal a march on some others on a temporary basis by making this or that deal. The conditions which I described of unrestricted competition cannot be avoided by unilateral efforts. And therefore the challenge to the statesmanship of all of the consuming nations is whether they are able to recognize this fact—because if not, reality will impose it on them.

It is not an American proposal for our own selfish benefit. Indeed, any country can probably gain in any six-month period some temporary benefits for itself. But over a five-year period, the result of such a course, if adopted by everybody else, would be extremely unfortunate, including for the countries that seem to be gaining a temporary advantage.

Now, as for the relationship between the consumers and the producers—I believe that a considerable number of the producers realize today that it cannot be in their interests to bring about a worldwide economic depression, that if they are to benefit from the resources which they control, it must be within the framework of a healthy world economy. And one interesting result of our initiative has been that no producing nation has yet expressed the slightest opposition to it. And several producing nations indicated that they support the concept of consumer-producer meetings in order to lay out the long-term goals of energy policy for both sides.

Under the present framework, the producing nations are forced to look only primarily at their short-term problems and they have to assess them in terms of the immediate supply-and-demand situation.

If there was some assured demand over a medium-term future and if the producing nations had some assurance and understanding of what is ahead for them, they could make their price decisions on a much more long-range basis. And therefore what we are proposing is not intended as a confrontation, but it is intended to permit a rational consideration of issues in which the long-term interests of the consumers and producers are not necessarily divergent.

Sequence of Energy Conferences

Q. Mr. Secretary, you originally started with the premise of beginning this process with a meeting of producing and consuming nations. Could you tell us, sir, what happened to that original concept? Are the Arab nations now holding off from this process until there is further advancement in resolving the Arab-Israeli conflict? And thirdly, can you be any more precise about the sequence of conferences that will take place

after the initial meeting of the consuming nations?

Secretary Kissinger: First, Murrey [Murrey Marder, Washington Post], the original proposal did not go into any detail as to the sequence of moves. But I can assure you that it was always the President's intention to follow the sequence that we are now proposing. So there has been no change in the concept between the Pilgrims speech and the formal letter that the President sent yesterday to the consuming and producing nations.

Secondly, no producing nation has linked its response to a further evolution of the Arab-Israeli negotiations. And we believe that this linkage would be irrelevant to the basic problem. But there is no sense commenting on it, since no nation has made this linkage.

Q. Dr. Kissinger, what will you do if the Arabs refuse to come?

Secretary Kissinger: What was the last part of the question?

Q. The remaining part was how do you envision the process going—

Secretary Kissinger: Oh—how do we envision the process. We envision that the consumer-producer conference will meet within three months of the original consumer conference and that the other consultations with developing consuming nations and other interested parties will take place between February 11 and the time that the consumer-producer conference takes place, which we will propose should be no later than three months after the original proposal.

What do we do if the producers don't come?

Q. Yes.

Secretary Kissinger: Well, then we can't have a consumer-producer conference. [Laughter.]

Clark [Clark R. Mollenhoff, Des Moines Register and Tribune].

Q. In the light of the admitted disasters of the wheat deal and also in the light of the talk of one-dollar bread and the Agriculture Department posturing itself to become an importer of wheat, what confidence can the American people have of the representatives of the United States not being caught in another ripoff for the consumers and taxpayers?

Secretary Kissinger: Well, Mr. Mollenhoff, in order to answer that question, we would have to have a long discussion of the structure of the wheat deal and what produced it. But the short answer to your question would be this. The wheat deal was the result of certain assumptions about the nature of our surpluses—certain lack of information about the nature of the purchases that were being made. And it is precisely to avoid having to make decisions on the basis of inadequate information and inadequate understanding of the future that we are proposing an approach which takes a comprehensive look at all the factors involved and which would reflect the basic necessities of the American people as well as of the rest of mankind.

Q. In the initial wheat deals you were relying to a large degree upon the wheat and the international grain trade, as I understand it, plus the Agriculture Department. Do you have any reason to believe that you will get straight figures from the oil industry, which provides most of the figures we have in this country at this stage?

Secretary Kissinger: Mr. Mollenhoff, it is difficult to compare a one-time negotiation, which was on a scale that was unprecedented and therefore which the existing framework could not handle, with a long-term generic problem that will be with us for decades. We have every confidence that for the sort of enterprise that we are now proposing with respect to energy, it will not fail for lack of correct information. It may fail for lack of wisdom and for the inability to develop a long-range view on the part of all the components that are involved internationally.

But with all respect, I would say there is no comparison between the long-term en-

ergy problem and a one-time wheat deal.

Q. Are you concerned about the wheat importation situation—

Factors in Energy Crisis

Q. Mr. Secretary, could I ask you to clarify something that was asked, I think, in the first question. Let me be more specific. To what extent are the major oil companies to blame for our current pricing problems?

Secretary Kissinger: I have to let Mr. Simon answer this.

Mr. Simon: Basically their arrangement has been changed, and changed quite often, over the past few years. It is a feeling on the part of the nations of the Mideast that they have sold their oil too cheaply, and indeed as we move into different arrangements—we use the term "negotiations" in Vienna; I suggest that is a dignified term for the demands, if you will, for higher prices. They are just announcing higher prices, what they are going to demand. It is not the 25 percent equity any longer. But obviously they are going to demand a majority interest in the oil in the ground. They are also, because they own 67 percent of the world's proven reserves—they believe that they can now make up for oil, looking back. And anyone who looks back on a market can understand that maybe he would have done things differently. That they will indeed charge a price for it. And that is what is going on.

As far as the specifics of blaming the oil companies, that is a very popular game everyone is playing today. We are in the blame syndrome now—let's find out who is to blame and let's hang him. And I will suggest that over the years—and you can go back to the Paley Commission in the Truman administration, who warned of this impending crisis—you can go back for the past five years, or just the 14 months I have been in government, as Chairman of the President's Oil Policy Committee, warning of this impending crisis—forgetting the embargo. That we are looking back on a period where we had a low-cost abundant energy base. We are now in a high-cost scarce energy base. And our alternatives right now to the economic and political blackmail—importing today 6½ to 7 million barrels a day, if indeed the embargo were over, to upward of 10 or 12 million barrels per day by the end of this decade, and being subject to whatever price perhaps they wish to put on it.

Q. Mr. Simon—

Mr. Simon: We have the alternative to bring on at a reasonable level alternate sources of energy in this country to give us the ability for self-sufficiency, thereby removing a demand from the rest of the world for this oil and removing a pressure from the marketplace.

Q. Mr. Simon, you described a "game" that everybody is playing. Could you be more specific about this game, whether we're trying to find who's at fault and trying to hang him?

Mr. Simon: Well, I can—

Q. Are there any other examples in this game that you can give us?

Mr. Simon: No. As I say, we're all looking for the scapegoat right now. And I can go back, sure; and I'll go back and point to various government actions and inactions over the past 20 years that have created the economic disincentives, if you will, for the oil industry to do exactly what's happened internationally, as far as drilling in the Middle East is concerned. You can go back to the Phillips decision of 1954 on the regulation of natural gas, and how this discouraged necessary exploration and production in this country. On the environmental impacts, on the mandatory oil import policy that acted as a disincentive to building needed refinery capacity, the Clean Air Act and need for implementation of the primary and secondary standards—it is for many reasons.

I'm not saying that the oil industry should have had a little bit more responsibility. Fine, they should have. And we're going to look at the specifics of that. But let's not say that

it's been just one thing to blame; there are a whole series of events.

Q. Mr. Secretary, at this stage, is it still possible to enlarge the February 11 conference beyond the eight invited countries, or would you rather tell other interested consumer nations to join later on in the working group level?

Secretary Kissinger: Well, as I pointed out, we are prepared, if the European Community would prefer this, to have the nine members of the Community participate, so that it would not appear as though we wanted to make a distinction between the members of the European Community.

Beyond that, we believe that it would be most efficient if the future participation were at the working group level and at other conferences that will develop out of this, such as between the developed consumer nations and the developing consumer nations—and of course the consumer-producer conference that will take place later on.

Variables Affecting Energy Shortfall

Q. Mr. Secretary, you mentioned some figures in your answer a moment ago of restoring our delivery of oil to 6½ to 7 million barrels a day.

Mr. Simon: That's what our estimates are as to what the demand would be now.

Q. In the future it's 10 million as compared to 2, 2½, that we're bringing in now. Could you appraise for us quantitatively or qualitatively how much of a difference it would make for us to have the Arab oil embargo lifted on this nation's economy?

Mr. Simon: Well, right now, as I've said many times right from the first press conference—which was shortly after our figures were published, as far as the extent of the shortfall—and let's get a real handle on that right at the outset, because there's a great deal of problems with that favorite word of "credibility" today on the extent of the shortfall—in the job which we have of managing a shortage, rather than just forecasting what the shortage may be, we can gauge, and we can gauge with hard numbers, the exact amount of oil, assuming an effective embargo, that we are not going to bring into this country. And this is the number that we use if we are going to responsibly manage this shortage—manage it to the extent that industry and jobs and employment in this country aren't going to suffer unduly.

Fine, it's going to have economic impact. Then we take a look at the variables, and the variables are obviously weather. And we've had a great break in the fourth quarter of 1973 on the weather, and that took care of reducing demand. Then our conservation measures reduced, and that helped. There was leakage in the embargo, which many people predicted—although the extent of the leakage is extremely difficult to predict.

So all of these variables move into play to reduce the shortfall; and this is where other people, utilizing some of these assumptions—they say, "The shortfall won't be that bad; the government's wrong." Well, we're not wrong. We believe it won't be that bad if the American people do their job. But I can't bet on jobs in this country—and the comfort and health of the American people—by betting these variables are going to work to this, that, or another extent.

As I've said from the very first day, with a nation—6 percent of the world's population, utilizing 35 percent—we waste almost as much as we use. Some estimates show we waste between 30 and 40 percent of our energy utilization. We can make up this shortfall with simple changes in our lifestyles.

Now, these aren't going to be done overnight; we understand that. Industry can do a great deal, and they are doing a great deal overnight. We obviously can't stop driving some of the the gas-burners we all drive around today; but we can drive them less, we can drive them slower. There are many things we can do. And I think the figures we put out every week show that we are reducing our demand and we're moving toward

the elimination of this shortfall. Whether we make it or not is uncertain, and for that reason we recommended to the President that he put the rationing program into effect [on a contingency basis].

Secretary Kissinger: Since Mr. Simon is obviously gaining on me and since this cannot be permitted in this building [Laughter], we'll have—sit down for a minute, Marvin; I'm in the middle of a very important announcement [Laughter].

Mr. Simon: Can I hold a separate conference outside? Did they shut my microphone off? [Laughter.]

Secretary Kissinger: Since, in fact, we're going to open the trapdoor under Mr. Simon! [Laughter.]

Just a minute—we'll take one more question on energy, and then we'll take a few questions on other aspects of foreign policy.

Q. Mr. Secretary, I think you've already implied the answer to this question; but I wonder if the United States is prepared to set kind of a moral lead by forswearing any kind of bilateral advantage in the immediate future.

Secretary Kissinger: The United States will make proposals at the conference that will start on February 11 which will reflect the philosophy that I have described here, and I'm not aware of any bilateral U.S. deals that are in process between now and February 11.

And now should we switch to questions on—

Q. Mr. Secretary, you recently have just had discussions with the Japanese Deputy Prime Minister.

Secretary Kissinger: Yes.

Q. Now, there's a little doubt in the minds of some of us who talked with some officials later as to whether or not they were going to go along wholeheartedly with the U.S. initiative. Now, I'm wondering what role you feel countries like Japan, who are so vulnerable to the need for oil in Arab demands, can play in the type of initiative that you have in mind.

Secretary Kissinger: Well, it is my understanding that the Japanese Government is meeting today to decide its answer to the President's letter. And I don't think that I should prejudge what the answer of the Japanese Government will be.

Our proposal is designed to enable the Japanese Government, as well as all other invitees, to meet their energy needs over the indefinite future. Each government concerned will have to decide for itself whether by participating in an examination of its long-term problems it is jeopardizing its short-term situation. We do not believe that this is the case. We are making this proposal precisely to reduce, and in time to eliminate, the insecurity under which particularly those countries suffer that import a much larger percentage of their energy than we do. But I cannot predict what the Japanese reaction will be.

Q. If the nonmembers of the Community want to attend? You didn't mean to single out certain ones? And in your Pilgrims speech you said the Community might decide to participate with one voice. Would that still be welcome in the February 11 conference?

Secretary Kissinger: We will leave it to the Community to decide the form of its participation; yes.

Middle East Negotiations

Q. Mr. Secretary—

Q. —you are going to leave for Egypt at midnight—

Secretary Kissinger: So are you. [Laughter.]

Q. —and then go to Israel and go back to Egypt. And that schedule suggests that you expect to come home with an agreement. Is that the case?

Secretary Kissinger: No. What we expect

to do on this trip is to see whether we can transform the general ideas that have up to now been advanced into a concrete proposal. And we hope that when such a concrete proposal exists, it will lead to a serious negotiation between Egypt and Israel on the issue of the separation of forces. Therefore, if the Israeli Cabinet decides after my first visit there to make a proposal, we will be prepared to take it to Egypt. But the more likely outcome of this would be not that there would be an agreement but that there would be a negotiation which would be conducted at Geneva.

Q. Mr. Secretary, isn't there a danger of an overplaying of your own role in this? If the effort, as you've described it from the very beginning, is to induce the parties to come up with their own settlement, is there not the danger, by your going back time and again, that you become too fixed an element in the negotiation and deprive the parties of the chance to negotiate themselves?

Secretary Kissinger: Well, this particular trip was made at the request of the parties and not at our initiative. And therefore, while the basic consideration is valid, in the crucial initial phase—where confidence has to be built and where a process has to be started—we would think that it is most important to get the progress made.

Once the initial phase is behind us, then we believe that the negotiation should be conducted at Geneva and that higher level participation should occur only when there is an overwhelming deadlock.

Q. Sir, it's become more or less enshrined in the press in recent weeks that the Israelis have proposed a withdrawal to a line about 20 miles east of the Suez Canal in return for a thinning-out of Egyptian troops. Is this the kind of proposal you'd be bringing to Aswan?

Secretary Kissinger: Well, I'm not bringing, on my first trip, any particular proposal to Aswan. What I intend to do is to discuss with President Sadat his ideas, to give him my impression of some of the general Israeli ideas; and any specific proposals would have to await a decision by the Israeli Government, as the Israeli Ambassador pointed out yesterday.

Q. Mr. Secretary—

Secretary Kissinger: Let me get questions over here [pointing].

Q. Sir, if I could return for a moment to your energy proposal, you said that the object of the series of meetings would be to establish—a "framework" was the word you used—for solving these problems between the developed industrial nations which need the fuel and the nations which have the fuel that are not developed. Essentially, that's it.

Now, perhaps "framework" is a term of the art; and I don't cover the diplomatic circuit. But what kind of a framework are you talking about—some sort of series of actual agreements among nations on the world economy? And if so, is there any precedent in past diplomacy for such a broad, all-encompassing approach to the entire world economy?

Secretary Kissinger: There is no precedent in past diplomacy for this particular approach, but there is also no precedent in past diplomacy for this particular problem. What we are talking about is a series of agreements or understandings in a series of related areas—areas of sharing of technology, of determining the nature of the demand, of the concept of measures that can be taken with respect to the conservation of energy resources.

Other problems—there are other problems to which we, frankly, haven't even the beginning of an answer—such as, what happens to the consuming developing nations that we used to think were in need of substantial aid flows, where all of the aid flows have been outstripped in one afternoon's decision by the price increase that has been imposed on these countries by the producing nations. The balance of payments issues that I raised with

you have now been understood in terms of numbers, but in terms of solutions we have, frankly, not come up with any answers that we are as yet prepared to put before other nations.

Moreover, we do not believe that we alone have the obligation to come up with all of the answers. We are inviting the other countries concerned to share with us their thinking on a problem that, after all, concerns them at least as much as us.

Q. Mr. Secretary, the Egyptians expressed concern that a disengagement agreement would simply result in a freezing of another cease-fire line in the Middle East. Do you share that concern? And if so, are you seeking assurances from Israel that political talks will take place and will lead to further Israeli withdrawals?

Secretary Kissinger: It has always been understood that disengagement would be the first phase in a process toward a final settlement and that negotiations toward that final settlement would continue. And that is the American position; and we believe that it is the position of the parties concerned.

Q. Mr. Secretary, could you tell us what has been accomplished in talks between Panama and the United States in the last couple of days that didn't exist before and whether this involved the Panamanians accepting—agreeing to some principles that we proposed, or vice versa, or both?

Secretary Kissinger: As in all negotiations, the progress reflected a modification by both sides of some of the positions they previously held. I think substantial progress has been made toward a statement of principles, which now have to be filled in by concrete negotiations. But since those principles are still ad referendum, which means that they still require the approval of the governments concerned, I don't want to go into greater detail.

Q. Mr. Secretary, you made very clear at the beginning of the press conference the principles of world interdependence. You also made very clear the basic necessity of fuel, like food and water, which all nations need. Now, aside from any theoretical propositions to which you referred earlier, inasmuch as these are very basic needs, would you foresee that failure to recognize the principles that you outline here today could eventually lead to hostilities for the very basic things of life?

Secretary Kissinger: Well, I don't want to predict exactly what will happen if the shortsightedness of man should triumph over his clear necessities, but obviously it will be a much more tense and extremely competitive world that would then emerge, in which collaborative relationships in many fields would severely suffer.

Q. Mr. Secretary, yesterday the Cuban Ambassador in Mexico said that talks with the United States would be possible if the United States agrees to lift the economic embargo. Now, some have interpreted his remarks as one of the mildest yet coming out of Cuba or from a Cuban official. How do you see his statement?

Secretary Kissinger: Well, I have not had an opportunity to analyze all the subtleties of the statement. Our position is that our objection to Cuban policy has concerned its attempt to export its revolution to subvert existing governments in the Western Hemisphere. Our attitude would be subject to change if Cuba pursued a more restrained international course.

President Nixon Extends Invitations to Conference on Energy

Following are the texts of letters sent by President Nixon on January 9 to the heads of government of major industrial oil-consuming countries and member states of the Organization of Petroleum Exporting Countries (OPEC).

TEXT OF LETTER TO HEADS OF GOVERNMENT OF OIL-CONSUMING COUNTRIES [1]

White House press release dated January 10

JANUARY 9, 1974.

Developments in the international energy situation have brought consumer and producer nations to an historic crossroad. The world's nations face a fundamental choice that can profoundly affect the structure of international political and economic relations for the remainder of this century.

Today the energy situation threatens to unleash political and economic forces that could cause severe and irreparable damage to the prosperity and stability of the world. Two roads lie before us. We can go our own separate ways, with the prospect of progressive division, the erosion of vital interdependence, and increasing political and economic conflict; or we can work in concert, developing enlightened unity and cooperation, for the benefit of all mankind—producer and consumer countries alike.

It was with these thoughts in mind that I asked Secretary of State Kissinger in his December speech to the Society of Pilgrims in London to propose establishment of an Energy Action Group and to urge a concerted action program among consumers and producers to meet the world's energy needs in a manner which would satisfy the legitimate interests of both the consuming and producing countries.

As a first step to carry out this concept, I invite (name of country) to a meeting of major industrial consumer nations to be held at the Foreign Minister level on February 11, 1974, or any other convenient date that week. I would like to take this opportunity to invite you to send your representative to such a meeting here in Washington. After I know your views, I plan to send a Special Representative to discuss with your Government the specifics of this meeting, including suggestions on agenda and substance.[2]

Our concept is that the Foreign Ministers meeting would agree on an analysis of the situation and the work to be done. It would establish a task force drawn from the consuming countries which would formulate a consumer action program. Part of this program would be concerned with new cooperative measures designed to deal with the explosive growth of global energy demand and to accelerate the coordinated development of new energy sources. Another task would be to develop a concerted consumer position for a new era of petroleum consumer-producer relations which would meet the legitimate interests of oil producing countries while assuring the consumer countries adequate supplies at fair and reasonable prices.

[1] Canada, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, and the United Kingdom; the Secretary General of the Organization for Economic Cooperation and Development was also invited to attend.

[2] The following paragraph was added between paragraphs 4 and 5 of President Nixon's letter to Chancellor Willy Brandt of the Federal Republic of Germany:

"As was pointed out in the original proposal we would wish to leave it to the European Community to decide whether and how it may wish to participate in the meeting in Washington. I am bringing this point to your attention in your capacity as head of the government now in the presidency of the Community and will be very pleased to extend an invitation to a representative of the Community. I shall appreciate it if you would inform me of the Community's decision."

In calling for a meeting of the major industrial consumer countries, we are fully conscious that the energy problem is one of vital importance to all consuming countries, particularly those of the developing world whose hope for a better life critically depends on access to energy on reasonable terms. Whereas our immediate concern is to get preparations underway as promptly and effectively as possible, clearly the interests of all consumers, including the developing countries, will have to be represented in an appropriate manner.

A concerted effort of this kind is but a first and essential step toward the establishment of new arrangements for international energy and related economic matters. To this end, a meeting of consumer and producer representatives would be held within 90 days. I am sending personal messages to the heads of government of the OPEC states to assure that they understand the purpose of the proposed meeting of consumer states.

We face a profound challenge to turn this period of crisis into one of opportunity for constructive and creative cooperation which will be of benefit to all the peoples of the world. I look forward to hearing your reply and comments.

TEXT OF LETTER TO HEADS OF GOVERNMENT OF OPEC MEMBER STATES [3]

White House press release dated January 10

JANUARY 9, 1974.

Today I have invited governments of the major oil consuming countries to send representatives to a meeting in Washington on February eleventh. The purpose of this meeting will be to seek a consensus among the participants, looking toward a meeting of consumers and producers, which would establish new mutually beneficial arrangements for international energy and related economic matters.

Recent developments have emphasized the critical importance of energy to the prosperity and stability of the international economy. Severe disruptions of economic activity and of the world monetary system, whether caused by insufficiency of energy supplies or abrupt price movements could prove disastrous for consumers and producers alike.

Oil importing nations are vitally concerned with mechanisms which will assure adequate supplies at reasonable prices. Oil producing states, in turn, are concerned with arrangements that will assure fair payment for and rational use of their non-renewable resources.

Accordingly, as suggested by Secretary of State Kissinger in his speech in London in December, the United States believes it is necessary to deal with these matters urgently.

The United States is undertaking this initiative as a constructive and positive step, consistent with the publicly stated views of a number of oil producing nations which have called for a consultative relationship between producers and consumers. It is my hope that the results of the forthcoming meeting will lead to an early joint conference of consumer and producer nations.

[3] Abu Dhabi, Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and Venezuela.

Congressional Documents Relating to Foreign Policy

93d Congress, 1st Session

The Great Lakes. Hearings before the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs. Part I: The 1973 Floods and Activities of the International Joint Commission, United States and Canada. March 23–May 1, 1973. 715 pp.

Oil Negotiations, OPEC, and the Stability of Supply. Hearings before the Subcommittees on Foreign Economic Policy and on the Near East and South Asia of the House Committee on Foreign Affairs. April 10–September 18, 1973. 300 pp.

Energy and Foreign Policy. Hearings before the Senate Committee on Foreign Relations. May 30–31, 1973. 239 pp.

U.S. Forces in Europe. Hearings before the Subcommittee on Arms Control, International Law and Organization of the Senate Committee on Foreign Relations. July 25–27, 1973. 386 pp.

Travel Agents Registration. Report to accompany S. 2300. S. Rept. 93–458. October 10, 1973. 19 pp.

U.S. Supports U.N. Programs Against Drug Abuse

Following is a statement by Congressman John H. Buchanan, Jr., U.S. Representative to the U.N. General Assembly, made in Committee III (Social, Humanitarian and Cultural) of the Assembly on November 28, together with the texts of three resolutions adopted by the committee on November 29 and by the Assembly on December 14.

STATEMENT BY CONGRESSMAN BUCHANAN

USUN press release 120 dated November 28

As we meet for the annual discussion of narcotics control in this committee, we can observe two major and conflicting trends on the international drug control scene.

On the one hand, we can perceive a steady increase, noted in the report of the International Narcotics Control Board for 1972, in the volume, geographic extent, and number of persons affected by drug abuse.

On the other hand, and running contrary to the spread of drug abuse, we can observe a steady progression of events which cannot but provide solid basis for hope in the future. I refer to the increased national and international efforts directed at stopping the illicit traffic, eradicating the illicit production, and reducing the demand for drugs of abuse.

These latter efforts have been undertaken within national borders, within the context of bilateral agreements, and multilaterally through the many international organizations cooperating in drug abuse control in accordance with their capabilities and responsibilities.

The strenuous efforts of my own country are already known to you. Suffice it to repeat, as President Nixon pointed out at a White House conference on drug matters two months ago, that we have attacked drug abuse on all fronts—supply, trafficking, and demand. The Federal Government, for example, now spends 10 times as much on the treatment of drug addiction as it did four and a half years ago. These efforts have attained some success, for as the President stated, "We have turned the corner on drug addiction in the United States. . . ." We in this country know we must maintain our efforts, however, because as the President also pointed out, "There is a long road after turning that corner before we get to our goal of getting (drug abuse) really under control. . . ." But we approach the future confident that increased efforts will bear fruit.

Our own efforts will be increased both nationally and internationally. Both the U.S. House of Representatives and the Senate have approved legislation providing $42.5 million for each of two years in bilateral and multilateral programs. This measure is awaiting final action and represents an even stronger commitment on the part of my country to combating international drug traffic.

Other nations also have undertaken programs designed to eliminate the sources and to moderate the effects of the illicit traffic in drugs of abuse. These national programs derive increased scope and effectiveness from mutual cooperation and assistance—sometimes through bilateral arrangements, sometimes on a regional basis, and sometimes on a global basis. Time does not permit citation of all the activities of nations directed toward eliminating drug abuse. I would be remiss, however, if I did not express my government's deep gratification on observing these

efforts and our sincere hope for their continuing success.

These successes, however, have not been without cost—in some cases heavy costs to the nations involved. There has been not only a burden on resources, but there has also been the far greater cost of human life. My country respects and appreciates the dedication of those countries in their commitment to curbing the deadly traffic in narcotics. The United States is proud to participate in this expanding international effort.

The organs created by the world community for dealing with drug problems present grounds for hope in the world struggle against drug abuse. Those organizations, which are the mind and hands of the world community in drug matters, are alert and dedicated to our common goal.

The Commission on Narcotic Drugs (CND), with an expanded membership augmented by numerous states representatives who have made signal contributions as observers, has addressed the international emergency energetically and effectively. In the 25th session it focused upon actions required and recommended resolutions for adoption by the Economic and Social Council (ECOSOC) which the Council approved at its 54th session. Among the more important, in our view, were the establishment of a Subcommission on Illicit Traffic in the Middle East and the authorization of an Ad Hoc Committee on Illicit Traffic in the Far East. We expect that the special session of the CND scheduled for early 1974 will be equally helpful to the international community in clarifying problems and in recommending solutions.

It should be a source of satisfaction to us all, parties to the drug control conventions and beneficiaries of the international control system, that the International Narcotics Control Board (INCB) is actively pursuing its responsibilities and defending our common interests under the treaties. The Board Secretariat, under the able leadership of its Secretary, Joseph Dittert, maintains a high standard of service to the treaty parties.

We support the efforts by the Secretary General to achieve better coordination among the various international drug control bodies in accordance with the draft resolution recommended by the 25th session of the Commission and approved by ECOSOC.

We cannot afford duplication or waste or inefficiency in our international effort. But we are equally impressed with the importance of continuing the present special administrative arrangements between the Board and the Secretariat, which seek to assure the technical independence of the INCB in carrying out its treaty functions. Those arrangements, which were approved by the Economic and Social Council as recently as May of this year, have well served the interests of the international community. It would not be desirable, in our view, to have the INCB's activities or personnel merged with those of any other body.

The United Nations Fund for Drug Abuse Control is now promoting and supporting an expanded program of assistance, as was its objective. The report of the Acting Executive Director gives us cause to be pleased by the variety of the work accomplished, the quality of projects still underway, and by the scope of the programs under consideration. Although we all recognize the difficulty of achieving a balance among programs affecting the three aspects of the drug problem—supply, trafficking, and demand—the Fund has pursued this objective with a considerable measure of success. Thus the Fund has ongoing programs of assistance not only in training of law enforcement officers and replacement of illicit narcotics production with other crops but also in prevention, treatment, and rehabilitation and research.

My country has been impressed by the initial successes of this program, despite its embryonic stage. But additional resources will be needed if the Fund is to increase its efforts. The United States is willing, where appropriate and desirable, to reinforce the efforts of the Fund by complementary programs designed to achieve shared goals.

It is obvious from the Fund's recent activities that increasing emphasis is being given to coordination with other U.N. agencies working on drug matters under Fund leadership. I believe all governments will view this

development with satisfaction. The report of the Administrative Committee on Coordination (ACC), issued in September of this year, is a significant prelude to even better coordination in the future.

We are also pleased to note the beginnings of program evaluation included in the most recent ACC report. This will be responsive to the views and expectations of the CND as expressed by many representatives at the 25th session. We also look forward to the realization of the Fund's plans for assigning regional advisers to the principal geographical areas, to enable the United Nations to be more responsive more promptly to countries' requests for advice and assistance in meeting their international obligations.

The appointment of a regional adviser for the Middle East recently announced by the distinguished Acting Executive Director of the Fund, whom we are honored to have here with us today, provides evidence of the Fund's determination to acquire the capacity to respond to the needs of the world community.

The U.N. Fund has been in existence for only a short period. Established to provide extraordinary resources for emergency needs, the Fund can give to the United Nations the capacity to respond to requests for assistance from countries with significant drug abuse control problems. The maintenance of this capacity is the responsibility of every nation represented here, because the Fund can act only with the resources provided to it by the international community. We hope that all nations will contribute on a sustained basis to the resources of the Fund as generously as they are able.

This discussion would be incomplete without mention of the basic agreements which underlie our cooperation in this field; that is, the series of international conventions designed to control drugs of abuse.

The Single Convention on Narcotic Drugs has now been accepted by 102 nations, its amending protocol by 14 nations, and the Convention on Psychotropic Substances by 13 nations. Most countries which have not yet ratified the protocol and Psychotropic Convention are making preparations to do so.

As a result of international conferences there is a moral commitment, which the the United States respects, to perfect and update this international control system in the interest of all nations and peoples.

The world drug scene is dominated today by the spread of drug abuse and by the energization of nations and international organizations to combat this pollution of human resources.

My government believes that energetic and sustained action by the world community through programs directed at the supply, trafficking, and demand for illicit drugs will in time permit the peoples of the world to "turn the corner" on the problem of drug abuse.

Extraordinary efforts are required, but the hope of success is real if we maintain our national commitments and continue our cooperation with other nations and with international organizations. I pledge that my government will carry on with its efforts both within the United States and in cooperation with other nations to reduce drug abuse and bring it under effective control.

TEXTS OF RESOLUTIONS

General Assembly Resolution 3145 [1]

Assistance to the developing countries in the field of narcotics control

The General Assembly,

Recalling its resolutions 2859 (XXVI) of 20 December 1971 and 3012 (XXVII) of 18 December 1972,

Considering that some developing countries, owing to the lack of technical and financial means, are unable to contribute to the control of narcotic drugs as effectively as they earnestly desire,

Recognizing that in order to do so they would be required to make an extensive effort to improve especially the economic and social conditions of some of their often isolated and impoverished regions where traditionally the revenue derived from the cultivation of opium poppy or other narcotic drugs is in some cases the principal means of livelihood for the populations concerned,

Recognizing further that in those regions of the

[1] Adopted by the Assembly on Dec. 14 by a vote of 118 (U.S.) to 0, with 10 abstentions.

above-mentioned developing countries the replacement of a traditionally drug-oriented economy by other agricultural and economic activities should be undertaken in such a way as to minimize hardship for the populations concerned and to assist in establishing new adequate sources of revenue and means of livelihood for them,

Being fully aware that to embark on such comprehensive programmes these countries need substantial technical and financial assistance from the international community,

Conscious that the United Nations Fund for Drug Abuse Control, in order to be able to participate financially in these programmes and to continue to support training, research and other scientific activities and rehabilitation efforts in the interest of all States, whatever their individual stage of development, requires funding on a continuous basis,

1. *Considers* that the United Nations system, through the United Nations Fund for Drug Abuse Control, can make a major contribution in this respect;

2. *Welcomes* the fact that some of the developing countries in Asia and Latin America, in co-operation with the Fund have initiated or are about to initiate programmes aimed at the effective elimination of illicit traffic, illicit production and abuse of narcotic drugs;

3. *Commends* the Governments which have already contributed to the Fund and urges them to continue, and if possible, to increase their contribution;

4. *Urges* all States, according to their capacities, to make substantial and sustained contributions to the Fund and also to provide technical and financial assistance to the developing countries directly concerned which request such assistance for bringing narcotic drugs under effective control;

5. *Appeals* to international financial institutions to assist these developing countries in carrying out their respective narcotics control programmes.

General Assembly Resolution 3146 [2]

Support for and voluntary contributions to the United Nations Fund for Drug Abuse Control

The General Assembly,

Noting with concern the *report of the International Narcotics Control Board for 1972* that drug abuse is still increasing in volume, geographical extent and number of people affected,

Encouraged by the Board's assessment that there has at the same time been a deepening realization at all levels of society that this grave and complex phenomenon can only be met successfully by a sustained, united effort on the part of the world community by Governments acting in concert with one another,

1. *Commends* the action already taken by Governments to reduce illicit production, traffic and consumption;

2. *Expresses the hope* that these actions will continue and that even greater concerted efforts will be made;

3. *Recognizes* that a number of countries will need assistance to enable them to carry out their drug abuse control programmes;

4. *Reaffirms* its declaration in resolution 3012 (XXVII) of 18 December 1972 that the fulfilment by the developing countries of their obligations under the Single Convention on Narcotic Drugs, 1961, calls for technical and financial assistance from the international community;

5. *Urgently appeals* to Governments for sustained support and increased voluntary contributions to the United Nations Fund for Drug Abuse Control, in any form and according to their capacities.

General Assembly Resolution 3147 [2]

Accession to drug control treaties

The General Assembly,

Recalling its resolution 3013 (XXVII) of 18 December 1972 calling for adherence to the Single Convention on Narcotic Drugs, 1961, the Convention on Psychotropic Substances, 1971, and the 1972 Protocol Amending the Single Convention,

Gratified that since this resolution was adopted a number of States have acceded to one or more of these instruments,

1. *Stresses* the importance to international drug control of universal accession to all three treaties and to the earliest possible entry into force of the 1971 Convention on Psychotropic Substances and the 1972 Protocol Amending the Single Convention;

2. *Urges* Governments of countries directly related to the manufacturing and production of psychotropic substances to ratify or accede to the said Convention as soon as possible;

3. *Requests* the Secretary-General to draw the present resolution to the attention of all Governments;

4. *Also requests* the Secretary-General to report to the General Assembly at its twenty-ninth session on the progress made towards universal acceptance of all three treaties.

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[2] Adopted by the Assembly on Dec. 14 by a vote of 119 (U.S.) to 0, with 10 abstentions.

U.S. Reviews Progress on Disarmament Issues in 1973 Before U.N. General Assembly

Following are statements by Joseph Martin, Jr., U.S. Representative to the Conference of the Committee on Disarmament (CCD) and Adviser to the U.S. delegation to the U.N. General Assembly, made in Committee I (Political and Security) of the General Assembly on October 23 and November 23, together with the texts of two resolutions adopted by the Assembly on December 18.

STATEMENT BY AMBASSADOR MARTIN, OCTOBER 23

USUN press release 97 dated October 23

Writing about the atomic bomb in 1945, Albert Einstein reluctantly saw a certain merit in the specter of danger it had introduced. "It may intimidate the human race," he said, "into bringing order into its international affairs, which, without the pressure of fear, it would not do."

Certainly no one would question that nuclear weapons and other forms of advanced technology have had the most pervasive effects on human society. But has this technology had an influence over international affairs as Einstein anticipated? The answer is, obviously, yes—but perhaps not as much as he expected. One reason is that the human race becomes partially inured to almost anything, including danger. Another reason is that it changes its thought habits only very slowly; many people today still think in terms of an earlier era of conventional weaponry.

All the more credit therefore seems due to those who have read the implication of technology correctly and who have labored against considerable odds to bring it under control. Those who work in the arms control field should draw courage, I think, from yet another consideration: Difficult and frustrating as these efforts may be over the long run, they are bound to have an effect on the thoughts and trends of governments, even before specific results are achieved.

As the First Committee begins once again today to explore the problems of arms control and disarmament, there are certainly many factors on the world scene which are a source of apprehension. It is easy under these circumstances to be discouraged about the prospects for arms control; however, if we take stock of the events of the past decade, we can, I believe, be encouraged by how far we have come.

Only a decade ago, arms control and disarmament often seemed just another issue which, despite its importance, had become enmeshed in the cold war. Proposals were often made with no thought of their ultimate acceptance; speakers seemed intent upon scoring propaganda victories rather than achieving progress toward meaningful arms control measures.

This fall we can cite more than a body of agreements already concluded. We can point to promising negotiations now underway or about to begin on strategic arms limitations, on mutual and balanced force reductions (MBFR) in Central Europe, and on European security and cooperation. The Conference of the Committee on Disarmament continues its efforts to come to grips realistically with important subjects: a comprehensive test ban and limitations on chemical weapons.

The past year has seen encouraging signs of further movement toward stability. The

Viet-Nam and Laos agreements have already reduced the scope of the conflict that has torn Southeast Asia for so long. Although fighting has occurred in the Middle East, it has been possible to arrange a cease-fire. My country will of course continue its efforts to help arrange a peaceful settlement of the Middle East conflict. Elsewhere in the world, progress has been made toward relaxing tensions.

Here at the United Nations we have the clear duty to move ahead in our work on arms control, whatever the difficulties facing us. It is up to us to build on the base of agreements already achieved in order to take those further steps which may now be feasible.

Nuclear arms control naturally enjoys priority in our efforts. In this area as in others, the coming years hold the promise of further progress, building upon that of the past five years.

In 1969, President Nixon pledged to the United Nations that the United States was embarked on a "determined effort not only to limit the buildup of strategic arms but to reverse it." In 1972, we concluded with the Soviet Union agreements limiting each side to two ABM [antiballistic missile] sites and freezing ICBM [intercontinental ballistic missile] and SLBM [submarine-launched ballistic missile] launcher levels for five years. In the U.S.-Soviet agreement concluded on June 21, 1973, President Nixon and General Secretary Brezhnev stated their intention of reaching a permanent agreement on more complete measures on the limitation of arms, as well as their subsequent reduction. They also announced that the two sides would make serious efforts to work out the provisions of the permanent agreement with the objective of signing it in 1974. U.S. and Soviet negotiators are now meeting in Geneva in order to try to carry out that objective.

The SALT talks [Strategic Arms Limitation Talks] represent a fundamental change in international relationships. Each side has set a goal of breaking the momentum and moderating the process of strategic arms competition.

On October 30, historic talks will begin in Vienna aiming at reductions in the level of military forces now stationed in Central Europe. How important these negotiations are is evident from the area involved. Central Europe has been since World War II a region of major East-West confrontation. It has long been a battleground of many peoples and nations. Preserving security undiminished in that region at lower levels of forces would represent a major breakthrough toward a more rational world order. We and our allies plan to negotiate in Vienna with dedication, bearing in mind that not just the interests of the actual participants will be served by our success but international peace and security will generally be strengthened.

Nonproliferation Treaty

Neither negotiations on strategic arms nor the forthcoming talks on mutual and balanced force reductions in Europe are directly concerned with the question of the international proliferation of nuclear arms. In the end, however, their purpose is similar to that of the Nonproliferation Treaty. For the many nations which negotiated the Nonproliferation Treaty shared the same goals as the SALT and MBFR negotiators: to achieve greater stability in a world living under the nuclear threat, to reduce the chances of nuclear war breaking out whether by design or by accident, and to lessen the burden of armaments on the world. The Nonproliferation Treaty reflects the desire of its more than 100 signatories to call a halt to the proliferation of nuclear weapons before an increasing number of countries felt compelled to invest substantial resources into building their own deterrent forces. The benefits of the treaty have flowed to nuclear-weapon and non-nuclear-weapon states alike. The world as a whole has profited from the fact that no country has joined the "nuclear club" since 1964. One can well ask where we would be today if, in addition to the other conflicts in the world, the last few years had seen a desperate action-reaction cycle as additional countries acquired nuclear-weapon capabilities.

It will not be on the basis of the short five years of its existence, but over the decades to come, that future generations will judge the usefulness of the Nonproliferation Treaty. Strengthening that treaty and its underlying principles is one of our heaviest responsibilities. During the past year, the treaty did indeed receive increasing support with the adherence of six additional states. Another important development was the signing last April of the verification agreement between the IAEA [International Atomic Energy Agency] and the European Community, removing one obstacle to wider adherence to the treaty. We earnestly hope that additional countries, particularly those with an advanced nuclear technology, will adhere to the treaty.

Article VIII of the Nonproliferation Treaty calls for a review conference five years after the entry into force of the treaty. We look forward to that conference. We regard it as an important opportunity to provide additional impetus to the treaty and its principles. We intend to cooperate fully with other treaty parties in insuring that the conference will be carefully organized. To that end, we are now beginning to consult with the other depositaries and parties on how best to proceed with the arrangements for the conference in a manner satisfactory to all the parties.

Comprehensive Ban on Nuclear Testing

An important objective involved in the control of nuclear arms remains a comprehensive ban on nuclear testing. Resolutions of the United Nations General Assembly have often drawn attention to the priority that a comprehensive ban should receive in disarmament negotiations.

We share the general assessment that the Limited Test Ban Treaty has made a substantial contribution to international arms control efforts. Our common objective of limiting the proliferation of nuclear weapons would have been more difficult to achieve except for the willingness of states to accept the constraints placed on them by the Limited Test Ban Treaty in the knowledge that other states were accepting the same constraints. The Limited Test Ban Treaty, as the initial breakthrough after years of stalled arms control negotiations, improved the international climate and hence helped to make possible the later arms control agreements.

For all its value, however, the Limited Test Ban Treaty has been regarded as a step, albeit a most important one, to a ban on all nuclear testing. The United States has always supported the objective of an adequately verified comprehensive test ban. President Nixon stated in his May 3, 1973, foreign policy report to Congress:

> The United States has continued to support the objective of an adequately verified agreement to ban all nuclear weapons testing.
>
> Some countries maintain that national means of verification would be sufficient to monitor such a ban with confidence. We disagree. Despite substantial progress in detecting and identifying seismic events, including underground nuclear tests, we believe that national means of verification still should be supplemented by some on-site inspection.
>
> The United States shares the view of many other nations that an adequately verified comprehensive test ban would be a positive contribution to moderating the arms race. For this reason we are giving high priority to the problem of verification. We will continue to cooperate with other nations in working toward eventual agreement on this important issue.

Regarding our common goal of achieving a halt to all nuclear testing, we have made progress toward establishing the basis for a ban. Our understanding of seismic detection and identification capabilities has improved significantly over the past decade. My country, in particular, has devoted very substantial resources to research and development in the field of seismology. At this summer's CCD session, we submitted a working paper analyzing in detail our recent progress in seismic verification research. That paper described our current plans to construct 15 or 20 new seismic research stations in cooperation with other interested nations at key places in the world. It also outlined our plans to install a data management system to collect, store, and distribute to interested governments and other institutions and indi-

viduals the enormous quantities of data which will flow from this expanded seismic network. These plans call for seismic data to be available on a routine basis by late next year or early in 1975.

My country, along with others interested in a comprehensive test ban, benefited from an intensive four-day exchange of views on this subject at informal meetings of the CCD last July. Those meetings, attended by experts from nine countries, were, in our opinion, among the most useful ever held at the CCD. I would like here to express our appreciation to Japan for its efforts in proposing and helping to arrange the meetings.

The past year has also seen progress in a less universal, but nevertheless very important, arms control measure. As a party to Additional Protocol II of the Treaty of Tlatelolco, the United States was most gratified to note the adherence during the year to that protocol of two additional nuclear-weapon states: France and the People's Republic of China. We are pleased to see the Latin American nuclear-free zone gain this new support. Full credit must be given to the Mexican Government and its Permanent Representative to the United Nations, Ambassador [Alfonso] Garcia Robles, for their dedication and unflagging support of this endeavor.

Limiting Chemical Weapons

During the past year, the CCD devoted a large part of its efforts to discussing limitations on chemical weapons (CW). At the end of the spring session, a group of eight nonaligned members presented their views on a possible treaty to the Committee. On August 21, the Japanese delegation tabled the outline of a draft treaty for the consideration of the Committee. During the year, the CCD looked carefully at many aspects of chemical weapons, including those related to possible agreements. Such careful consideration of all relevant issues is the way to make progress toward the achievement of treaty restraints.

The memorandum of the nonaligned countries performed a useful service to the CCD in providing detailed views on the many interconnected elements in any possible CW agreement. The delegation of the United States commented in a systematic fashion on the key points in the nonaligned memorandum. We agreed with the point in the memorandum that prohibition on chemical weapons must be coupled with adequate verification and that verification in turn has both technical and political aspects which interact with the question of the scope of prohibitions. We presented our views about how best to achieve our mutual objective of a balanced agreement. Thus, the nonaligned memorandum served not only to put on record the views of eight CCD members but gave rise to an examination in depth at the CCD of many of the key elements involved in any agreement to limit chemical weapons.

The Japanese working paper tabled shortly before the end of the CCD session has already begun to receive wide consideration. We are giving the Japanese proposal the serious and careful study it deserves. In doing so, we are conscious that the Japanese delegation had itself taken into consideration the views of other CCD members, including those contained in the nonaligned memorandum, in preparing the proposal. One of our own views—that there must be an essential relationship between the scope of activities to be prohibited and the possibilities of verification—is reflected in the Japanese working paper. We have also considered that the alternative of a gradual approach to the problem of chemical weapons should be held open, as indeed it is in the Japanese proposal.

During the past year, the CCD carried out important work in deepening our mutual understanding of the elements involved in limiting chemical weapons. Its value as a forum was rarely more evident than in the detailed discussions held about chemical weapons. These discussions, in which virtually every CCD member joined, covered the widest possible range of issues.

The United States remains committed to seeking effective limitations on chemical weapons. We will continue our search for workable means of restricting these weapons during the coming year, while exercising restraint in our own program.

As I told the CCD on August 30, we have not produced any lethal chemical weapons since 1968 and in fact have been phasing out parts of our CW stockpiles.

Question of Disarmament Forums

I should like now to turn to the question of disarmament forums. As you all know, a number of suggestions have been advanced. We would like to make our views known on these suggestions.

The CCD remains, in our view, a valuable forum which has proven itself over more than a decade. Its limited size and its freedom from external pressures have permitted the CCD delegations to establish close working relations with each other. They have acquired a detailed understanding of the technical issues involved in arms control issues and have evolved procedures which have permitted the work of the Committee to proceed smoothly. These factors have enabled the CCD to achieve truly constructive results. We believe that the United Nations should continue to provide full support to this Committee which has been responsible for so much of the progress that we have made in arms control.

Some countries have called for the convening of a world disarmament conference with preparations for such a meeting to begin as soon as possible. Other countries have stated their view that such a conference would prove useful only if all the nuclear powers agreed to participate in it. The views of the United States, which are well known, remain unchanged. While we agree that a world disarmament conference could serve a useful function at a later stage in the disarmament process, we do not believe that such a conference at this time would produce useful results. For such a conference not to disappoint the hopes of all those wishing to see rapid progress in disarmament, the conference would have to be able to offer real prospects of agreement on significant arms control measures. However, it is not the lack of a suitable forum but the lack of political agreement which prevents us from taking more far-reaching steps toward a more peaceful order with reduced levels of armaments. A world disarmament conference would be less likely to overcome this lack of agreement than to fall victim to it. The end result could well be a slowdown in our work combined with the dashing of expectations everywhere. Therefore, we oppose convening a world disarmament conference or setting a date or starting preparations for one at this time.

Some speakers at this session of the General Assembly have already alluded to the possibility of reconvening the United Nations Disarmament Commission (UNDC). You will recall that the Commission last met in 1965, when there had been no [complete] General Assembly session and hence no disarmament debate.

We find it difficult to see how the UNDC could usefully tackle the problems facing us today. We doubt seriously that such a large conference could, despite the best of intentions, tackle the working out of concrete treaty agreements. On the other hand, if the conference were only to continue the exchange of views which we will be having here, it is difficult to see how it could add to the debate in this committee. Moreover, a prolonged debate might give rise to heated exchanges not relevant to the solution of arms control and disarmament problems. Such exchanges would only set back the cause of disarmament.

I have tried to sum up where we stand in our work. Obviously we have not moved ahead as rapidly as we would have liked to on all fronts. In this respect, we must recognize frankly that there are elements of division and mistrust which have existed in the world for a long time. A process of compromise, of overcoming longstanding political differences, and of relegating ideological differences to their proper place will be needed before we can attain a more rapid rate of progress in all sectors of arms control and disarmament.

But we must equally recognize that this is by no means a time for despair—rather the contrary. In the realm of strategic arms control there has been very substantial progress indeed, with good prospects for future prog-

ress in the not too distant future. In the realm of conventional forces, we will soon be witness to an undertaking of transcendental importance, with the start of actual negotiations on the mutual and balanced reduction of forces and armaments in Central Europe. Of all the areas of dangerous confrontation, perhaps none over time has occupied our thoughts more starkly or more relentlessly than this one, for a conflagration in this area would scarcely leave any part of the world untouched.

Finally, and perhaps above all, we can draw encouragement from the growth, worldwide, of an idea—an idea which is the cardinal principle of all work in arms control and disarmament: that limitations can assure security and stability better than even the highest levels of armaments.

STATEMENT BY AMBASSADOR MARTIN, NOVEMBER 23

The U.S. delegation is happy to cosponsor the draft resolution in document A/C.1/L.665 on the Nonproliferation Treaty review conference. We attach importance to the conference, and we consider it to be in the general interest to insure that the conference is carefully prepared and that appropriate facilities and services are provided. These purposes are served by the draft resolution in document A/C.1/L.665.

Operative paragraph 2 requests the Secretary General to render assistance and provide services.

Operative paragraph 1 takes note that a preparatory committee has been formed, comprised of parties to the Nonproliferation Treaty serving on the International Atomic Energy Agency Board or [represented] at the Conference of the Committee on Disarmament.

We believe that those criteria represent the best practical solution to the problem of constituting a committee that is fully representative of the interests of all parties to the Nonproliferation Treaty.

We favor a wide interpretation of those criteria so that any party meeting them at a later time will be free to join the committee. We also think that the committee should be ready to receive suggestions by interested countries concerning its work.

Early in its deliberations the committee will, no doubt, wish to consider inviting the IAEA to provide assistance for the substantive preparation of the conference, as well as to send experts to participate in the conference.

We think that the draft resolution in document A/C.1/L.665 merits the support of all delegations that approve the objectives of the Nonproliferation Treaty. For our part, we look forward to cooperating actively in insuring that the conference in 1975 will result in a serious and constructive review of the operation of the Nonproliferation Treaty.

TEXTS OF RESOLUTIONS

General Assembly Resolution 3184B [1]

The General Assembly,

Recalling its resolution 2373 (XXII) of 12 June 1968, in which it commended the Treaty on the Non-Proliferation of Nuclear Weapons and expressed the hope for the widest possible adherence to that Treaty,

Noting that article VIII, paragraph 3, of the Treaty provides that:

"Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realized",

Bearing in mind that the Treaty will have been in force for five years on 5 March 1975 and expecting that the review conference called for in the Treaty will take place soon after that date,

1. *Notes* that, following appropriate consultation, a preparatory committee has been formed of parties serving on the Board of Governors of the International Atomic Energy Agency or represented at the Conference of the Committee on Disarmament;

2. *Requests* the Secretary-General to render the necessary assistance and to provide such services,

[1] A/C.1/L.665; adopted by Committee I on Nov. 23 by a vote of 66 (U.S.) to 2, with 10 abstentions, and by the Assembly on Dec. 18 by a recorded vote of 100 (U.S.) to 2, with 11 abstentions.

including summary records, as may be required for the review conference and its preparation.

General Assembly Resolution 3183 [2]

The General Assembly,

Conscious of the responsibility of the United Nations under the Charter for the maintenance of international peace and for disarmament,

Convinced that all peoples of the world have a vital interest in the success of disarmament negotiations,

Deeply convinced that substantial progress in the field of disarmament can be achieved only by ensuring adequate conditions of security for all States,

Convinced also that all States should contribute to the adoption of measures for the achievement of this goal,

Believing that it is imperative that all States exert further efforts for the adoption of effective measures of disarmament and, more particularly, nuclear disarmament,

Believing also that a world disarmament conference, adequately prepared and convened at an appropriate time, could promote the realization of such aims and that the co-operation of all nuclear Powers would considerably facilitate their attainment,

Recalling resolution 2833 (XXVI) of 16 December 1971,

Recalling also resolution 2930 (XXVII) of 29 November 1972, by which it decided to establish a Special Committee on the World Disarmament Conference,

Bearing in mind the note of the Secretary-General, of 17 October 1973, and the statements made during the consideration by the First Committee of agenda item 32,

Noting that, before any conclusion may be reached with regard to preparation for the convening of a world disarmament conference, it will be necessary to carry out considerable study of the relevant existing conditions,

1. *Decides* to establish an *Ad Hoc* Committee to examine all the views and suggestions expressed by Governments on the convening of a world disarmament conference and related problems, including conditions for the realization of such a conference, and to submit, on the basis of consensus, a report to the General Assembly at its twenty-ninth session;

2. *Decides further* that the *Ad Hoc* Committee shall consist of the following 40 non-nuclear-weapon Member States appointed by the President of the General Assembly after consultation with all regional groups: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Burundi, Canada, Chile, Colombia, Czechoslovakia, Egypt, Ethiopia, Hungary, India, Indonesia, Iran, Italy, Japan, Lebanon, Liberia, Mexico, Mongolia, Morocco, Netherlands, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Spain, Sri Lanka, Sweden, Tunisia, Turkey, Venezuela, Yugoslavia, Zaire and Zambia;

3. *Invites* the States possessing nuclear weapons to co-operate or maintain contact with the *Ad Hoc* Committee, it being understood that they will enjoy the same rights as the designated members of the Committee;

4. *Invites* all States to communicate as soon as possible to the Secretary-General, for transmission to the *Ad Hoc* Committee, any views and suggestions they deem pertinent to present for the purpose defined in paragraph 1 above;

5. *Requests* the Secretary-General to render all necessary assistance to the *Ad Hoc* Committee in its work, including the preparation of summary records;

6. *Decides* to include in the provisional agenda of its twenty-ninth session the item entitled "World Disarmament Conference".

[2] A/C.1/L.673; adopted by Committee I unanimously on Dec. 13 and by the Assembly unanimously on Dec. 18.

United Nations Documents: A Selected Bibliography

Mimeographed or processed documents (such as those listed below) may be consulted at depository libraries in the United States. U.N. printed publications may be purchased from the Sales Section of the United Nations, United Nations Plaza, N.Y. 10017.

Economic and Social Council

Population Commission:

Population program of the United Nations. Report of the Secretary General. E/CN.9/289. October 1, 1973. 35 pp.

Work programs in population of organizations in the United Nations system. E/CN.9/284. October 4, 1973. 91 pp.

Permanent sovereignty over natural resources. Report of the Secretary General. E/5425. October 3, 1973. 37 pp.

Commission on the Status of Women:

Study on UNESCO activities of special interest to women. E/CN.6/580. October 9, 1973. 58 pp.

Consideration of proposals concerning a new instrument or instruments of international law to eliminate discrimination against women. Working paper by the Secretary General. E/CN.6/573. November 6, 1973. 44 pp.

Study on the interrelationship of the status of women and family planning. Report of the Special Rapporteur. E/CN.6/575. November 27, 1973. 22 pp.

International Women's Year. Report of the Secretary General. E/CN.6/576. December 4, 1973.

New Multilateral Multifiber Textile Arrangement Negotiated

Press release 466 dated December 21

On December 20, the GATT [General Agreement on Tariffs and Trade] Textile Negotiating Group, meeting in Geneva, agreed to a comprehensive multilateral arrangement to regulate world trade in man-made fiber, wool, and cotton textiles. The new arrangement has been under negotiation since July 1973 and is effective from January 1, 1974, for a four-year term.

The arrangement, which is considered a major accomplishment within the GATT, involves over 50 countries with divergent interests in textile trade. No countries made reservations regarding the arrangement. Each country will officially accede to the arrangement by notifying the GATT.

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.
Ratification deposited: Greece, September 20, 1973.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Ratification deposited: Greece, January 15, 1974.

Conservation

Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington March 3, 1973.[1]
Ratification deposited: United States, January 14, 1974.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva December 2, 1972.
Signature: France (with reservation), December 13, 1973.

Health

Amendments to articles 34 and 55 of the constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643). Adopted at Geneva May 22, 1973. Enters into force when two-thirds of the members of the World Health Organization have deposited an acceptance.
Acceptances deposited: Fiji, November 15, 1973; Egypt, January 14, 1974.

Additional regulations amending articles 1, 21, 63, 71, and 92 of the international health regulations of July 25, 1969 (TIAS 7026). Adopted at Geneva May 23, 1973. Entered into force January 1, 1974.[2]

Seals—Antarctic

Convention for the conservation of Antarctic seals, with annex and final act. Done at London June 1, 1972.[1]
Ratification deposited: Norway, December 10, 1973.

BILATERAL

Colombia

Agreement confirming the agreement between the Colombian Ministry of Agriculture and the United States Department of Agriculture for the control and eradication of foot and mouth disease in Colombia. Effected by exchange of notes at Bogotá November 27, December 3, 14, and 17, 1973. Entered into force December 17, 1973.

Italy

Agreement regarding exports of cotton velveteen fabrics from Italy, with related note. Effected by exchange of notes at Washington January 9, 1974. Entered into force January 9, 1974; effective October 1, 1973.

Mexico

Agreement amending the agreement of December 3, 1973, concerning the provision of four helicopters and related assistance by the United States to help Mexico in curbing traffic in illegal narcotics. Effected by exchange of notes at México December 21, 1973. Entered into force December 21, 1973.

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[1] Not in force.

[2] In force for all members of the World Health Organization except as follows: Not bound—Australia, the Federal Republic of Germany, India, Singapore, and South Africa. Position not defined—Bahamas, Botswana, China, The Gambia, Holy See, and Nauru. Position not defined pending acceptance of reservations—Egypt, Greece, Iran, Iraq, Italy, Libya, Luxembourg, Madagascar, Malta, Thailand, and Yugoslavia.

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Releases issued prior to January 14 which appear in this issue of the BULLETIN are Nos. 466 of December 21 and 14 of January 10.

No.	Date	Subject
*16	1/14	Jova sworn in as Ambassador to Mexico (biographic data).
*17	1/14	Hartman sworn in as Assistant Secretary for European Affairs (biographic data).
*18	1/14	Newsom sworn in as Ambassador to Indonesia (biographic data).
*19	1/16	Study group 5, U.S. National Committee for CCIR, Feb. 1.
*20	1/16	Underhill sworn in as Ambassador to Malaysia (biographic data).
*21	1/17	Dr. Chen Ning Yang, Nobel Prize-winning physicist, to visit South America as Lincoln lecturer.
*22	1/17	U.S. and Italy sign cotton textile agreement, Jan. 9.
*23	1/18	Miller sworn in as Ambassador to Trinidad and Tobago (biographic data).
*24	1/18	U.S. and Bermuda sign agreement on preclearance of U.S.-bound air travelers.

* Not printed.

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Secretary Kissinger's News Conference of January 22

Press release 28 dated January 22

Secretary Kissinger: I will go right to the questions.

Q. Mr. Secretary, we had a number of second- and third-hand reports from senior American officials and Congressmen, and so forth, about the question of whether you on your trip in concluding this [Egyptian-Israeli] agreement, or getting it concluded, made any commitments on behalf of the United States—or beyond that, whether there are any unpublished understandings which put the United States in the position of being a diplomatic guarantor. And I thought it would be helpful if you would tell us yourself about this.

Secretary Kissinger: Let me sum up the documents that exist and then explain our understanding of their significance.

First, there is an agreement between Egypt and Israel signed by the Chiefs of Staff of Egypt and Israel at kilometer 101—and which has been published in the newspapers.

Secondly, there exists an undertaking about the limitation of forces in the zones of limited armament, and elsewhere, between Egypt and Israel that came about as the result, technically, of a U.S. proposal made by the United States to both sides. The reason was that both sides found it easier to accept a U.S. proposal as to the limitation of their forces than to accept limitations which seemed to be demanded by the other side about their deployment.

This proposal was transmitted in a letter by the President to the heads of government of Egypt and Israel in which it was pointed out that acceptance of this identical document—that signature of this document would constitute acceptance and that it would thereby become part of the basic agreement. It therefore does not constitute a U.S. guarantee, but it was a device by which the United States made it possible to convey to the other their acceptance of certain limitations on the armaments. This, at the request of both sides, has not been published; and since it is not a U.S. obligation, we felt we had to acquiesce in the views of the parties.

Thirdly, in the process of negotiating the agreement, both of the parties asked us questions about the intentions of the other that were not part of the formal agreement but that nevertheless made it easier for them to plan their own course.

And we therefore, sometimes in writing, sometimes orally, would do one of two things. We would either ask one of the parties what its intention was with respect to the problem at issue, and we would then communicate that statement of intentions to the other side, in effect saying: "We have been informed that the Egyptian Government"—or that the Israeli Government—"plans to do the following." Sometimes we were asked what our interpretation was of certain clauses, and in that case we did that—sometimes in writing, sometimes orally. In the cases that now come to my mind, it turned out that our interpretations were identical with the interpretations of both of the parties, and therefore it was essentially irrelevant.

Now, are we guarantors of the agreement?

In the sense of having a formal obligation to take specific action in case of violation of the agreement, we are not guarantors.

In the sense that we will be in some way involved if the agreement breaks down, all

of recent history in the Middle East indicates that if there is an outbreak in the Middle East, the United States is involved whether or not it has engaged in prior diplomatic activity. It is certain that if there is another conflict, one or both of the parties are going to ask us for diplomatic support—and in that sense it is of course true that our judgment as to who violated the agreement will affect the course that we will pursue. But in the legal sense, there is no obligation that the United States has taken to enforce the agreement.

Q. Mr. Secretary, if you will follow up this question—having read the four or five whatever you call them, assurances, it struck me that all of them were given to Israel. Didn't Egypt need any? Was Mr. Sadat so self-assured that he didn't ask for any—

Secretary Kissinger: No, there were some assurances given to Egypt as well.

Q. Would you tell us some more? We have read in the papers those you gave to Israel, but nothing about Egypt.

Secretary Kissinger: Well, the ones you read in the papers that were given to Israel had previously been leaked by the Government of Israel. The ones that were given to Egypt have not been released—but they are of the same nature.

Prospects for End of Arab Oil Embargo

Q. Mr. Secretary, you said at your previous, or last, news conference, that it was increasingly inappropriate for the Arab oil embargo to continue while the United States was engaged in a mediating effort. Now that that effort has been successful, in its first stage at least, what is your feeling about the continuation of the oil embargo? And can you report any progress in that area?

Secretary Kissinger: Well, we have had every reason to believe that success in the negotiations would mark a major step toward ending the oil embargo. We would therefore think that failure to end the embargo in a reasonable time would be highly inappropriate and would raise serious questions of confidence in our minds with respect to the Arab nations with whom we have dealt on this issue.

Q. Mr. Secretary, back on the question of the documents—doesn't this leave the public record of the administration, and the United States, in a rather strange position with these unpublished documents? And does this not raise a question of where the administration is heading in its relations with Congress, where there have been very strong demands in recent years for full documentation of international accords?

Secretary Kissinger: The congressional leaders were given a detailed account of all of these assurances as well as of the content of any unpublished document.

Secondly, it makes a great deal of difference whether we publish a document to which the United States is a party and which therefore spells out an American obligation—or whether we publish a document which, in effect, spells out the obligations of other parties and in which we played a mediating role because of the confidence these other parties had in us. I would suggest that there is an enormous difference in these two situations. Nevertheless the congressional leaders have been informed about these matters.

Q. Mr. Secretary, going back to your answer on oil, you mentioned that—you used the phrase something about a "reasonable" period of time that this could be lifted. Is it a proper assumption that when the disengagement has been completed, when this 40-day cycle is over, that it is at that time you would think the oil embargo ought to be lifted?

Secretary Kissinger: I think in more ambitious terms.

Q. Do you mean even before that?

Secretary Kissinger: Yes.

Q. Mr. Secretary, there is word from—

Secretary Kissinger: Wait a minute—

Q. Have you got some assurances from

Mr. Sadat that he would use his influence in the oil-producing countries in this embargo?

Secretary Kissinger: I don't think it would be appropriate to go into all the details of the conversation between President Sadat and myself, but I have made clear the U.S. position on the oil embargo and I believe that it is clearly understood by all of the leaders with whom I have spoken.

Q. Mr. Secretary, while you were away, it was disclosed here through the White House and the Pentagon that the U.S. military had been receiving certain unauthorized National Security Council (NSC) documents by such devices as going through your briefcase, because they were worried about your policy on China and the Soviet Union, and further, that when you heard about it, that you were furious and demanded the transfer of the guilty parties.

This becomes a matter of curiosity to me because I found myself wondering and wanting to ask you how you knew that these things were happening, when I recall your sworn testimony before the Senate was that you didn't know about the existence of the "plumbers," had no contact with David Young, and thought he was doing something else.

Secretary Kissinger: I missed you on the trip, Mr. O'Leary [Jeremiah O'Leary, Washington Star-News]. [Laughter.] Let me answer the question in terms of my knowledge of this particular episode.

This incident arose out of the leakage of highly classified documents containing minutes of meetings of the Washington Special Action Group on the India-Pakistan crisis to a columnist. As a result of this leak, Mr. [John D.] Ehrlichman, who was in charge of all internal security investigations in the White House, started an investigation of this particular leak.

Sometime after this, Admiral Welander [Rear Adm. Robert O. Welander], who was in charge of the JCS [Joint Chiefs of Staff] liaison office at the NSC, came to General [Alexander M.] Haig and told him that the internal evidence of at least one of the documents suggested to him that the leak to the columnist had occurred from his office. I was out of town at the time. When General Haig informed me of this, I told him to turn that matter over to Mr. Ehrlichman.

Sometime later—I don't have the exact dates, several weeks later—Mr. Ehrlichman let me see, or rather listen to, the interrogation of Admiral Welander with respect to this particular incident. And in the course of this interrogation, there was developed an allegation not only with respect to the source of the leak but also about the unauthorized transfer of documents from my office to the office of the Chairman of the Joint Chiefs of Staff. Beyond this one interrogation, I was told nothing about the investigation, either preceding or following this interrogation.

I was amazed by this allegation, since the office of the Chairman and my office had worked closely together. I agree with what Admiral Moorer [Adm. Thomas H. Moorer, Chairman, JCS] said on television last week, that there was a full flow of information between my office and his office; and I had no reason to suppose, on the basis of my experience, that there was any conflict between the Joint Chiefs of Staff and my office. And therefore I have no reason to question the argument that has been made by Admiral Moorer that this incident of the unauthorized transfer of papers from my office to his office reflected overzealousness on the part of subordinates and, in any case, gave him no information that he did not already possess.

I must add that I was not aware of the fact that a report was being prepared by Mr. Ehrlichman, and I have never seen that report. Nor have I seen the report of the investigation that was conducted by Secretary Laird's [Melvin R. Laird, then Secretary of Defense] office. And therefore what I am saying is based on my personal knowledge of the incident, which is confined to this one interrogation of one individual who volunteered his information first to my office. These reports must have come to conclusions similar to the ones I have outlined here, because no disciplinary action was taken by the addressees of this report.

After these allegations became known to me, it was decided in consultation between Admiral Moorer and myself to close the liaison office attached to my staff.

With respect to my statements before the Senate Foreign Relations Committee made under oath, I reaffirm here every word that I have said to the Senate Foreign Relations Committee, and I assert that they were fully consistent with the allegations of the unnamed sources that have been made while I was on my trip last week. To be specific, I did not know that David Young was conducting an investigation into the matter of the [Jack] Anderson leaks. He never talked to me about this, or any other subject, while he was conducting what I now know was his investigation. I did not instruct him, nor did I request it. I never saw the report, nor did I know that the report existed until I read it in a newspaper early last week.[1]

I have called both Senator Fulbright and Senator Stennis and told them that I would be prepared to meet with their committees to answer any questions that they might have on this subject.

Q. One quick followup. Who interrogated Admiral Welander?

Secretary Kissinger: I believe he was interrogated by David Young, but from this one could not suppose that David Young was conducting an investigation.

Q. Did you know David Young had performed the interrogation?

Secretary Kissinger: I knew that David Young had performed the interrogation, but I had assumed that since we had sent Admiral Welander to Mr. Ehrlichman's office, Mr. Ehrlichman had designated one of his staff members to take whatever report Admiral Welander had to give.

I repeat again, we were not told about either the investigation preceding it or the investigation following it, and I had no contact whatever with David Young during that period.

Q. Mr. Secretary, to clarify, you said you participated in the interrogation.

Secretary Kissinger: I did not participate in the interrogation.

Q. Could you clarify that you read or listened to a tape of the interrogation?

Secretary Kissinger: I listened to a portion of the tape of the interrogation.

Q. Mr. Secretary, why didn't you find out the total results of the investigation and the interrogation of Admiral Welander?

Secretary Kissinger: Because I was told that I was not to be informed of it.

Q. By whom were you told?

Secretary Kissinger: I have said all that I will say on this subject. All internal security matters in the White House after May 1970 were handled by Mr. Ehrlichman's office, and therefore it was not unusual for this to be conducted in the established framework.

Q. Mr. Secretary, perhaps your lack of precision on the oil question is deliberate, but I wonder if I could try to pin you down once more. Can you tell us what you would define to be a reasonable period of time? And you said if nothing did happen, that it would raise a question of confidence. What is the implication of that question?

Secretary Kissinger: It would not be useful for me to go beyond this. But we have carried out in good faith what we have told both sides we would do.

Q. Mr. Secretary, the United States has stated its opposition to any one country dominating affairs in Asia or in other parts of the world. How do you look upon (a) the Paracel Islands question and (b) the island question that is dividing North and South Korea? There seem to be disputes over both sets of islands.

Secretary Kissinger: I don't think either of those issues raises the question of dominating

[1] General Haig has himself assured me that he had no contact with David Young on the report or related matters. [Added to the record subsequent to the press conference.]

the area or dominating the world.

With respect to the Paracel Islands, there has been a dispute between various countries as to the ownership of these islands. The United States regrets the use of military force in settling this dispute, but it does not raise an issue of world domination.

With respect to the Korean islands, those were assigned to South Korea as the result of the armistice agreement, and the United States supports that position.

Further Middle East Negotiations

Q. Mr. Secretary, what are the prospects now for agreements between Israel and Syria and Israel and Jordan? And in that connection, has your own personal diplomacy superseded the Geneva Conference?

Secretary Kissinger: With respect to Syria and Israel, on the occasion of my visit to Syria the Syrian Government put forward some ideas with respect to the disengagement of forces on the Syrian front. It's the first time that the Syrian Government put forward concrete suggestions on any phase of the negotiations. We have transmitted those ideas to the Government of Israel, which is now studying them and which has promised us an answer sometime after their Cabinet meets next Sunday.

We hope that a process can be generated by which the disengagement of forces on the Syrian side can be negotiated with the same seriousness as on the Egyptian side, and we have indicated that we would be prepared, if the two parties request it, to offer our good offices.

I might say also that the visit to Syria led to an improvement in the bilateral relations between the United States and Syria, one example of which is the fact that an American citizen who has been held in Syria on the charge of espionage since July of 1972 is being released tomorrow. His name is John Bates, and Mr. Vest [George S. Vest, Special Assistant to the Secretary for Press Relations] can give any of you who want to pursue it further particulars.

With respect to Jordan, the United States believes that all parties that have frontiers with Israel should participate in the process of negotiation, and we favor negotiations, as well, between Israel and Jordan.

The framework for the negotiations that have taken place was established by the Geneva Conference. The cochairmanship between us and the Soviet Union is taken very seriously by us; and we are keeping, and have kept, the Soviet Union informed of all of the actions which we have taken, which we believe are consistent with the consensus resolution which ended the last meeting of the Geneva Conference and which carried out the spirit of this.

My personal role has been produced by the fact that both parties found it easier to convey certain ideas through an intermediary and because, given the hostility in the area, it was useful to have a more impartial third party convey certain considerations and particular assurances. It is to be hoped that as these negotiations develop, and as the parties gain confidence in each other, the role of a mediator will become less crucial. But given the importance to the peace of the whole world of making progress toward a settlement in the Middle East, I don't want to take a dogmatic position on that issue.

Q. Mr. Secretary.

Secretary Kissinger: Marilyn [Marilyn Berger, Washington Post].

Q. Mr. Secretary, in mentioning the documents that do exist you said the second document is an undertaking of limited forces in zones of limited armaments and elsewhere. Can you spell that out a little bit, and does this involve limitation on weapons that could reach the other side?

Secretary Kissinger: It concerns primarily the limitation of weapons within the zones of limited armaments and some understandings with respect to offensive capabilities.

Q. Does each side then take on the responsibility not to acquire offensive capability?

Secretary Kissinger: No, it is strictly a deployment question.

Q. Mr. Secretary, President Sadat is quoted today in Algeria as saying that there has been a significant change since three months ago in U.S. policy toward the Middle East. I wonder if you could tell us what it was that you either said or did while you were in Egypt that would cause President Sadat to reach that conclusion.

Secretary Kissinger: I think—of course I am not a spokesman for President Sadat—but it is obvious that the United States has played a much more active role in the Middle East in pursuing a settlement than has been the case previously and the United States has attempted to take into account the legitimate concerns of both sides in urging a settlement. So I would think that the change to which President Sadat referred concerns the degree of our activity and our general participation in producing a settlement.

Q. Mr. Secretary, do you expect now that there will be a swift resumption of diplomatic relations with Egypt?

Secretary Kissinger: I think the conditions for that have been improved.

Q. Mr. Secretary, some of the Arab states, or oil-producing states, are said to be mining their oil fields in a direct response to Secretary [of Defense James R.] Schlesinger's speech of January 6 in which he said that public opinion might force a show of force by the West. What is your opinion about the likelihood of such a show of force by the West if the embargo goes too far?

Secretary Kissinger: Well, I don't think the embargo will go too far, so that this is essentially an academic question.

Q. Mr. Secretary, following your last round of conversations with the Chinese leadership, you expressed the hope that the process of normalization could be accelerated. Could you tell us as to what precisely you mean by normalization? Is it establishment of full diplomatic relations? And if so, how would you go about it?

Secretary Kissinger: Well, in our relations with the Chinese we have always stressed that the practical improvement of our relations is more important than the legal form in which it is expressed. Therefore we have always stressed particular concrete steps. We are at the moment negotiating a number of issues with the Chinese Government on blocked assets and claims of both sides, which are progressing, and we are proceeding along the lines which we have previously outlined. But by normalization of relations we mean at this stage closer contact, improved communications, and a greater interconnection of various activities.

Q. Mr. Secretary, Mr. Ehrlichman is gone, but have you been assured since then that you never again will be denied information which properly falls within your sphere of operations?

Secretary Kissinger: I had no reason to complain about the matter, because I thought it was a reasonable division of labor that I would not participate in internal security matters.

Preparations for Energy Conference

Q. Mr. Secretary, you've talked—

Q. Mr. Secretary, what's the status of the preparations for the energy conference? And have you yet dispatched the special emissary to the European countries for the preparations?

Secretary Kissinger: The question is what is the status of preparations for the energy conference and have we dispatched the emissary.

Very active work went on in the preparations for the energy conference as a result of a task force composed of Mr. Donaldson, Mr. Sonnenfeldt, Mr. Lord [Under Secretary for Security Assistance William H. Donaldson, Counselor of the Department Helmut Sonnenfeldt, Director of Planning and Coordination Winston Lord], and Mr. Cooper from the National Security Council [Deputy Assistant to the President for NSC International Economic Affairs Charles A. Cooper],

together with representatives from other departments, Mr. Bennett from the Treasury [Deputy Under Secretary for Monetary Affairs Jack F. Bennett], a representative of the Energy Office.

Now, we are having daily meetings on the subject this week, and when our preparations have progressed to a certain point, no later than the end of this week, we will be prepared to talk to our allies and to other invitees. I will have to talk to Mr. Donaldson on what the best use of his time is, whether the best use of his time between now and the beginning of the conference is by taking a trip or whether we can brief the other participants here. And that decision will be made in the next few days.

Q. Mr. Secretary, there has been a debate within the government over many years as to whether it is good or bad for the United States that the Suez Canal be open. What is your view now, since one byproduct of this negotiation may be the opening of the canal?

Secretary Kissinger: I would say that obviously the United States has no overwhelming reason of its own to get the Suez Canal opened. So the arguments pro and con have to be seen within the context of the general contribution that opening of the Suez Canal would make to peace in the Middle East. In that context, the United States would feel that it would be a positive step toward peace in the Middle East and the greater ease by which the Soviet Union can transfer its fleet from the Mediterranean to the Indian Ocean can be compensated both by the greater ease with which we can transfer some of our ships into the Indian Ocean and other measures that can be taken of a different nature.

Progress on U.S.-Europe Declarations

Q. Mr. Secretary, last fall when Foreign Minister Jobert was here you spoke of the constructive role that France was playing in the dialogue between the United States and Europe. I was wondering if you would still use that description for French policy in view of the initial steps that France has taken with regard to the franc and the negative attitude the French have taken until now toward your projected energy conference.

Secretary Kissinger: Well, of course the steps that France has taken with respect to the franc are similar to the steps that we have taken with respect to the dollar. And we can't blame France for pursuing a fiscal policy similar to our own.

With respect to the negotiations on the various declarations, they are now in process. I am quite optimistic that the NATO declaration can be settled fairly quickly. The declaration with the European Community is in the process of being redrafted. And there will be another meeting of our representatives with those of the Nine early in February, and it will be easier to form a judgment then.

With respect to energy, our views and those of France are quite opposed. And to the extent that we, of course, believe that we are correct, I could not characterize the French attitude as constructive.

Q. To follow up, at your San Clemente press conference, the last time you talked about Europe, you mentioned only two declarations. What happened to the third one, was it dropped—the idea?

Secretary Kissinger: With respect to Europe, we are working on two declarations: a declaration defining the relationship between the European Community and the United States and a declaration defining the basic principles on which NATO should proceed.

There is a project that we strongly support for a third declaration, including Europe, the United States, and Japan, and encompassing the basic principles of both of the declarations we are drafting with Europe, plus certain objectives we share together with Japan. The U.S. position is that we strongly favor such a trilateral declaration, and we have not changed our policy.

Q. Mr. Secretary, if France does not come to the oil conference, then would you go ahead with it anyway?

Secretary Kissinger: We would proceed in any event. Yes.

Q. Mr. Secretary, would you say that the removal of the oil embargo is not really enough, is not the real problem, but that the production cutbacks must be restored as well —otherwise, everybody would be competing for the same amount of scarce oil? Do you have reason to believe that that will happen, as well as the lifting of the embargo?

Secretary Kissinger: I maintain the position that I advanced at previous press conferences.

Q. Mr. Secretary, one of the Senators who was at a meeting with you yesterday said that the Russian cooperation was mainly not objecting to what you were achieving in the Middle East. Could you give us an example of the more positive Soviet cooperation?

Secretary Kissinger: The Soviet Union played a very useful role and a very crucial role in helping to get the Geneva Conference organized. It played a very constructive role at the Geneva Conference itself. Neither of those events could have occurred without active and constructive Soviet participation.

With respect to disengagement, it was always understood by the Soviet Union and ourselves that we were in a tactically better position to promote progress on that issue.

And therefore, at the military committee that was meeting in Geneva, it was agreed from the beginning that the Israeli and Egyptian discussions should take place under the auspices of a U.N. representative rather than under the auspices of the cochairmen.

Now, in the last phase of the negotiations, the tactical details were handled primarily by the United States, but the Soviet Union was informed and indicated its strong support for the effort—and we consider this a constructive step.

Q. Mr. Secretary, you mentioned opening a new dialogue—your desire to open a new dialogue with the countries in South America, and there has been some talk about a trip, perhaps to Panama, and your trip to Mexico City at the end of the month and possibly a larger trip to the continent in April. I would like to ask you if you could be more specific at this time about your plans and whether you would rule out a meeting in Mexico with an emissary of the Cuban Government.

New Dialogue With Latin America

Secretary Kissinger: I have indicated at a previous press conference that there has been an agreement ad referendum, which means for current examination, by the U.S. and Panamanian Governments about the basic principles on which a negotiation leading to a new treaty for the Panama Canal should be based. These principles are now being studied in our government, and when they are approved, it is possible that I may take a trip to Panama to mark the agreement on these principles.

The meeting in Mexico City grew out of a speech I made to the Latin American Foreign Ministers during the U.N. General Assembly, in which I pointed out that the United States was eager to start a new dialogue with Latin America on the basis of equality and geared to the realities of the current situation.

At this lunch, the Foreign Minister of Colombia responded to my speech and invited the Foreign Ministers of all Latin American countries to a meeting in Bogotá to formulate a preliminary response to this American initiative. That meeting took place in November and came up with what we consider a very constructive document that outlines an agenda for a proposed meeting between the other nations of the Western Hemisphere and the United States.

This meeting is now scheduled for the period of February 21st to the 23d in Mexico City. The Latin American Foreign Ministers will meet several days before then to formulate their ideas even more precisely than was possible in Bogotá. I have been in close touch

with various Foreign Ministers who are active in Latin America and who are actively engaged in this, and I am quite optimistic that we can take a significant step in Mexico City, and we are hard at work in preparing an American position in response to this Latin American initiative.

With respect to a possible meeting with a Cuban representative, there is no such plan.

Q. Mr. Secretary, I don't know if you had a chance to be fully briefed on certain changes in strategic nuclear weapons policies that Secretary Schlesinger has publicly talked about, involving retargeting of nuclear warheads and also the improvements in the accuracy of our nuclear warheads—and if so, what effect do you think these decisions might have on our relations with the Soviets, and what effect, if any, on the SALT Two [Strategic Arms Limitation Talks] discussions?

Secretary Kissinger: All decisions of this nature are taken within the framework of the National Security Council system and therefore, in my capacity as Assistant to the President as well as in my capacity as Secretary of State, I'm of course familiar with these various matters.

I would say that they underline the inexorable nature of the arms race and the essential necessity of making progress on the limitation of arms.

If the strategic arms race continues unchecked, it is inevitable that both sides will refine the number of their weapons, multiply their warheads, increase their accuracies, and develop strategies which will sooner or later create the threat of a gap between the first-strike and the second-strike capability—which was considered to be a principal element of insecurity in the 1950's and early 1960's—which would put a premium on striking first and therefore contribute to the danger of the outbreak of nuclear war.

Q. Thank you very much—

Secretary Kissinger: This is why we believe that this is a year in which major progress should be made on strategic arms limitation.

The press: Thank you very much, Mr. Secretary.

U.S. Announces Egypt-Israel Agreement on Force Separation

Remarks by President Nixon [1]

Ladies and gentlemen: I have an announcement that I am sure will be welcome news, not only to all Americans but to people all over the world. The announcement has to do with the Mideast, and it is being made simultaneously at 3 o'clock Washington time in Cairo and in Jerusalem, as well as in Washington.

The announcement is as follows:

> In accordance with the decision of the Geneva Conference, the Governments of Egypt and Israel, with the assistance of the Government of the United States, have reached agreement on the disengagement and separation of their military forces. The agreement is scheduled to be signed by the Chiefs of Staff of Egypt and Israel at noon Egypt-Israel time, Friday, January 18, at Kilometer 101 on the Cairo-Suez Road. The Commander of the United Nations Emergency Force, General Siilasvuo, has been asked by the parties to witness the signing.

A brief statement with regard to this announcement, I think, is in order.

First, congratulations should go to President Sadat, to Prime Minister Meir, and their colleagues, for the very constructive spirit they have shown in reaching an agreement on the very difficult issues involved which made this announcement possible.

Also, we in the United States can be proud of the role that our government has played and particularly the role that has been played by Secretary Kissinger and his colleagues in

[1] Made in the press briefing room at the White House on Jan. 17 and broadcast on television and radio (White House press release).

working to bring the parties together so that an agreement could be reached, which we have just read.

The other point that I would make is with regard to the significance of the agreement. In the past generation there have been, as we know, four wars in the Mideast, followed by uneasy truces. This, I would say, is the first significant step toward a permanent peace in the Mideast. I do not understate, by making the statement that I have just made, the difficulties that lie ahead in settling the differences that must be settled before a permanent peace is reached, not only here but between the other countries involved. But this is a very significant step reached directly as a result of negotiations between the two parties and therefore has, it seems to me, a great deal of meaning to all of us here in this country and around the world who recognize the importance of having peace in this part of the world.

The other point that I would make is with regard to the role of the United States. Our role has been one of being of assistance to both parties to bring them together, to help to narrow differences, working toward a fair and just settlement for all parties concerned where every nation in that area will be able to live in peace and also to be secure insofar as its defense is concerned.

Looking to the situation in the world generally, I think we could probably say that the area of the world that potentially is the one in which the great powers can be brought into confrontation is the Mideast, that that area more than any other is in that category, as recent events have indicated.

Now, the announcement we have made today is only a first step, but it is a very significant step. It paves the way for more steps which can lead to a permanent peace. And I personally shall see that all negotiations, any efforts which could lead to that permanent peace, not only between Egypt and Israel but between the other countries involved, have the full and complete support of the Government of the United States.

Thank you.

Administration Regrets House Action on IDA Replenishment Bill

Following is a joint statement by Secretary Kissinger and Secretary of the Treasury George P. Shultz issued on January 23.

Press release 31 dated January 23

The administration deeply regrets the action of the House of Representatives today in voting down the administration bill for a four-year replenishment of the International Development Association totaling $1.5 billion. This money formed part of an equitably shared effort among all industrialized nations to provide the capital and know-how to help the poorest and developing countries. In this most critical of times for international amity and harmony, this action represents a major setback to all efforts of cooperation and to the ability of the United States to provide leadership in the world where there is an increasingly serious tendency for nations to believe their best interest lies in going it alone.

We intend to confer immediately with members of both parties of the Congress in an effort to find a way in which the United States can continue to play a role of leadership fully consistent with our own economic situation.

IMF Committee of Twenty Meets at Rome

The Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues met at Rome January 17–18. Following is a statement made in the committee on January 17 by Secretary of the Treasury George P. Shultz, together with the text of a communique issued at the conclusion of the meeting on January 18.

STATEMENT BY TREASURY SECRETARY SHULTZ

Department of the Treasury press release dated January 17

We scheduled this meeting because we had a common belief that, working together, there was much we could accomplish through improving our international monetary arrangements. We felt we could reach agreements which, together with those achieved elsewhere, would promote international cooperation and allow each of our nations to derive greater benefit from international trade and investment.

Since the meeting was scheduled, most of the nations represented here—both more developed and less developed—have found the prospects for their economic activity, prices, and balance of payments sharply worsened. Any economic betterment we can contribute through international cooperation is, therefore, now even more urgently needed than before. And that international cooperation is all the more essential since we do not know with any certainty which nations among us are likely to be most seriously afflicted by the new developments.

In these circumstances, the logic seems to me compelling to act as do the members of a mutual insurance society who recognize a common interest in pledging to spread the impact of a calamity which could otherwise fall with concentrated force on any one of the members. At the same time, of course, we must not only insure against the risk. Our more basic task is to do all we can to reduce it.

It is imperative, therefore, that we make the most of our meeting. But after a change in economic circumstances without precedent in magnitude and suddenness in peacetime, we obviously must rethink our priorities in the area of monetary reform. And we must act in the financial area with a full realization that our response to the current threat of economic instability will be viewed as a fundamental test of our willingness to cooperate internationally.

A number of governments, the oil exporters, have demonstrated that they can act in pursuit of immediate political and economic objectives. In doing so, the clear danger is that they will create severe economic disruption for other nations and ultimately for themselves as well.

Now we must demonstrate that we can achieve joint action among a much larger number of countries and in a more broadly beneficial manner. We must develop a broader cooperation which meets the legitimate aspirations of the oil producers for an appropriate level of compensation for their current production and for secure and profitable opportunities for investing their financial resources while assuring that they in turn meet their responsibilities for producing in reasonable amounts without capricious manipulation of supplies or prices. We must develop

a broader cooperation that does not undermine economic development in any areas of our world.

This meeting of Ministers of Finance is not the proper forum for discussions of all the implications of the new developments in the field of energy. Primary work must be undertaken elsewhere on agreements for the maintenance of appropriate levels of supplies and prices, on research and development, on conservation, on alternative energy sources, and on emergency sharing of supplies.

President Nixon, to insure that all this work is undertaken promptly, has issued an invitation for a meeting in Washington to ministers of a number of oil-consuming countries, together with the Secretary General of the OECD [Organization for Economic Cooperation and Development], and the President of the Commission of the EC [European Communities]. It is the President's belief, I know, that this small group can launch most expeditiously the preparatory work which will permit substantive and productive meetings to take place in the near future on a broader basis among representatives of the oil producers and the oil consumers from all parts of the world. The ultimate objective is a set of international arrangements which will permit economic development to continue on a secure basis in all parts of the world.

Economic Impact of New Oil Developments

The recent price increases and supply disturbances of oil have created uncertainty, which—even apart from the direct costs involved—is detrimental to economic development. And when the newly announced prices are applied to estimates of oil consumption which are in the neighborhood of previous forecasts for 1974 and later years, the arithmetic results are staggering. We have seen estimates, for example, of an increase in the costs of imported oil in 1974 of more than $75 billion just from the price increases of the last few months. Similar calculations for later years yield even larger numbers.

In appraising these estimates, however, I believe we must be driven to the conclusion they are simply not realistic. At the prices used in these calculations the consuming countries will not—and in some cases probably cannot—import such large volumes. In the more developed countries the combination of consumer choice and government controls is bound to restrict consumption of imported oil substantially, even in the short run. Increasingly over time, imports will fall even further behind earlier forecasts, not only from reductions in consumption but also from increases in production from alternative energy sources which have become economic by comparison. With the economic incentives which now exist, I suspect we shall all be surprised by the new ways of producing and of saving energy which "come out of the woodwork."

The impossibility of the initial projections of mammoth increases in import bills for oil is particularly obvious for the less developed countries which are not oil producers. I have seen estimates that their import bill alone would increase by more than $10 billion in 1974, an amount in excess of the total of official assistance which they have been receiving in recent years. Clearly it would not be possible for these countries to absorb such increases. Conceivably these countries could turn to the oil producers to borrow some portion of the increased cost. But many of these governments are already near the limits of prudent indebtedness. Moreover, it is one thing to borrow for a promising investment project which will generate increasing revenues in the future, but it is a far different and dangerous course to borrow large amounts to cover current consumption. Of course the more developed nations must maintain their assistance programs; but in addition, to meet the new needs some of the oil producers must provide a substantial amount of grant assistance if current welfare and future development are not to be drastically reduced in many areas whose levels of economic welfare are already abysmally low.

Even after the inevitable reduction in future levels of imports, the increasing cost of

imported energy in the near future will still be huge. The secondary effects in terms of the availability of such derived products as fertilizer must also be recognized. The extra funds paid by the importers will inevitably mean a decline in their terms of trade, a burden upon their economies, and a heavy burden on efforts to manage common affairs cooperatively. Of course the funds paid by importers will not disappear from the face of the earth. They will be used by the recipients in part for increased purchases of goods and services and in substantial part for investment in other countries. These reflows will collectively redress the payments positions of those countries. But in the new circumstances there inevitably is great uncertainty as to which countries will receive these reflows.

Naturally we in the U.S. Government are hopeful that our businessmen will be competitive with their exports, and we know that we have a large and smoothly functioning market for investments. Yet, for us as for others, there is great uncertainty as to what will be the net impact of the new oil developments on our payments position. We had, after all, been scheduled to be the world's single largest importer of oil during the next few years. The oil price increases are likely in the short run to cause for us an even larger percentage increase in the total cost of imports than will be the case for most major countries in Europe, since oil looms larger among our imports.

Implications for Monetary Reform

For me these new developments have three basic implications for our work on monetary reform in the Committee of Twenty:

—First, we must demonstrate that we can achieve international economic cooperative agreements in a timely fashion. It is imperative that we reach a substantive agreement by the date which we have already set for ourselves, July 31 of this year.

—Second, in doing so, we must reorder our thinking to take fully into account the new conditions and the new uncertainties which have been thrust upon our international affairs. Our monetary reform agreements must not attempt to impose upon the system a rigidity which hampers response to future developments, including, for instance, the possibility of a surfeit of energy supplies around the world in a few years' time. Rather, we must agree on rules and procedures to insure there will be prompt adjustment in response to developing international monetary imbalances. We must try to avoid the mistake of giving too much weight to present conditions by simply extrapolating them far into the future, while setting the flexibility necessary to adapt and evolve the system to meet future developments.

—Third, we must design financial mechanisms and arrangements to deal with the present problem. But we must be realistic and recognize that the present problem is literally unmanageable for many countries. The oil-producing countries have to recognize this simple fact and cooperate with the rest of the world in scaling down the magnitude of the financial problem to manageable proportions. Once that is accomplished, we must still bring together the countries that have investment opportunities with oil-producing countries which have investable funds so that major destabilizing forces in the world economy are avoided.

If we manage our affairs properly, it will plainly make economic sense all around for producers to pump oil in excess of their current revenue needs so that oil wealth can be put to uses which generate a greater return than would result from letting that oil increase—or possibly decrease—in value while lying in the ground. In fact, however, that oil is not likely to be produced unless the producers of the oil and the custodians of the investment projects can be brought together in a manner in which each participant feels he can rely on the contractual relationships with the other. There may be possibilities for collective action which should be given consideration in this area.

All these tasks I have just mentioned are ones for which we as Finance Ministers must take primary responsibility. But our responsibilities for constructive response to the new circumstances will not end there. We also have a vital role to play in facilitating future trade negotiations.

The recent experience of abrupt major shifts in world supply-demand relationships in certain commodities has caused us all to rethink our policies and our methods of economic management, domestically and internationally. In this rethinking, some have concluded that recent proposals for trade negotiations should be put aside in view of more pressing problems like the energy supply constrictions and price rises or alleged world food shortages. That is the wrong conclusion.

The effort to embark on trade negotiations has much in common with our efforts in the monetary field: on the one hand, to solve specific problems, and on the other hand, to bring about a negotiating process and improved framework for trade relations which would help deal more effectively with new problems as they arise. The recent difficulties, to me, argue more strongly than ever for getting moving on the process of trade negotiations.

The exact way in which we go about this and the new priorities that may be emerging—including the avoidance of export restrictions—will need close examination. But it is imperative that the process itself be set in motion now.

While this broader process is getting underway we have to insure that nothing is done to make the situation worse now. No country can take unilateral restrictive trade or monetary measures to benefit some selected section of its economy or its current balance of payments at the cost of others without generating still greater turmoil in world economic relations. There would inevitably be countermeasures. Unilateral trade or monetary actions which are generated by energy problems or similar difficulties would be counterproductive. Any new trade or monetary actions should be considered in the most careful way in this delicate time and should be kept consistent with mutual interests and obligations. Bilateral agreements between oil-producing and oil-consuming countries should themselves be fitted into an internationally agreed framework.

As Finance Ministers, with our particular knowledge of the dangers of economic instability and autarkic policies, we must impress upon our national colleagues the dangers of attempting to "go it alone" in international economic affairs in today's circumstances. We must recognize that monetary cooperation plays a large part, but still only a part, in the broad effort needed to respond to the new economic challenges. With cooperation, we can find a balance in the essential needs of oil producers and consumers. With intelligence and understanding, we can avoid unemployment through excesses of financial restraint at home. If we approach our problems in common, we can maintain a fabric of reasonable stability and freedom in international commodity and exchange markets to the benefit of all our citizens.

The new challenges have come upon us with a brutal suddenness. But the collision between growing energy demands and the slower growth in apparent supply was inevitable in any event. Let us now attempt to insure that we derive one important benefit from our recent jolting experience. Let us resolve to delay no longer and to proceed at once with the reordering of our research efforts, our production plans, and our consumption patterns to fit our new conception of the world's energy balance. In doing so, let us achieve that broad consistency among our individual actions that is essential to the success of the total effort.

TEXT OF COMMUNIQUE

1. The Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues (the Committee of Twenty) held their fifth meeting in Rome on January 17 and 18, 1974, under the chairmanship of Mr. Ali Wardhana, Minister of Finance for Indonesia. Mr. Johannes Witteveen, Managing Director of the International Monetary Fund,

took part in the meeting which was also attended by Mr. Wilhelm Haferkamp, Vice-President of the E.E.C., Mr. Rene Larre, General Manager of the B.I.S. [Bank for International Settlements], Mr. Emile van Lennep, Secretary-General of the O.E.C.D., Mr. Olivier Long, Director-General of the G.A.T.T. [General Agreement on Tariffs and Trade], Mr. Manuel Perez-Guerrero, Secretary-General of the U.N.C.T.A.D. [United Nations Conference on Trade and Development], and Sir Denis Rickett, Vice-President of the I.B.R.D. [International Bank for Reconstruction and Development].

2. Members of the Committee began by reviewing important recent developments including the large rise in oil prices and the implications for the world economy. They expressed serious concern at the abrupt and significant changes in prospect for the world balance of payments structure. They recognised that the current account surpluses of oil-producing countries would be very greatly increased, and that many other countries—both developed and developing—would have to face large current account deficits. In these difficult circumstances the Committee agreed that in managing their international payments countries must not adopt policies which would merely aggravate the problems of other countries. Accordingly, they stressed the importance of avoiding competitive depreciation and the escalation of restrictions on trade and payments. They further resolved to pursue policies that would sustain appropriate levels of economic activity and employment, while minimising inflation. They recognised that serious difficulties would be created for many developing countries and that their needs for financial resources will be greatly increased; and they urged all countries with available resources to make every effort to supply these needs on appropriate terms. The Committee agreed that there should be the closest international cooperation and consultation in pursuit of these objectives. They noted that the International Monetary Fund, the World Bank and other international organisations are concerned to find orderly means by which the changes in current account positions may be financed, and they urged that these organisations should cooperate in finding an early solution to these questions, particularly in relation to the difficult problems facing non-oil-producing developing countries. In particular, while recognising the uncertainties with regard to future developments in the field of energy, the Committee agreed that the proposal of the Managing Director of the International Monetary Fund for a temporary supplementary facility should be urgently explored. It is recognised that such a facility poses operational problems which must be resolved and would, particularly for non-oil-producing developing countries, be only a partial measure, in view of the nature and magnitude of the balance of payments problems created.

3. The Committee expressed its determination to complete its work on the main features of a reformed international monetary system in the coming months. They recognised that, in the light of the recent developments in the world economy noted above, priority should be given to certain important aspects of reform affecting the interests both of developed and developing countries, with a view to their early implementation. Other aspects of reform could be agreed with the understanding that their operational provisions would be developed and implemented at a later date. The Committee agreed that the Deputies should arrange to study the broad question of the transfer of real resources, including all aspects of capital transfers, and that there should be a report to the next meeting of the Committee.

4. The Committee discussed the valuation and yield of the SDR [special drawing right]. They agreed that further attention should be given to the question of protecting the SDR's capital value against depreciation. In the present circumstances the Committee agreed that, for an interim period and without prejudice to the method of valuation to be adopted in the reformed system, it would be appropriate to base the valuation of the SDR on a "basket" of currencies. They invited the Executive Board to work urgently on the composition of a basket of currencies, the effective interest rate, and other outstanding questions, with a view to early adoption by the Fund of this method of valuation.

5. The Committee discussed certain aspects of the future structure of the International Monetary Fund. They agreed that in the reformed system it would be desirable to establish, between the full Board of Governors and the Executive Directors, a permanent and representative Council of Governors with twenty members. They agreed that the Council should meet regularly, three or four times a year as required, and should have the necessary decision-making powers to manage and adapt the monetary system, to oversee the continuing operation of the adjustment process and to deal with sudden disturbances which might threaten the system, while maintaining the role of the Executive Board. As an interim step, pending the establishment of the Council, it was agreed that a Committee of the Board of Governors should be created, with an advisory role in the same areas as the Council and with the same composition and procedures. This Committee would come into being when the Committee of Twenty has completed its work. The Executive Board was invited to prepare for the Board of Governors a draft Resolution to create such a Committee, giving due consideration to the need for adequate consultative machinery and the protection of the interests of all Fund members.

6. The Committee received reports from the Chairman of the Deputies on the progress of the Technical Groups set up after the Nairobi meeting and urged them to complete their work if possible before the next meeting of the Deputies. They also received a report on the Deputies' preliminary discussion of conditions and rules for floating in the reformed system.

They instructed the Deputies, in cooperation with the Executive Board, to continue to work on these questions and to report to the next meeting of the Committee.

7. The Committee discussed their future programme. They agreed that, following meetings of the Deputies in March and May, the Committee would aim to complete its work on the reform at a meeting to be held in Washington on June 12-13, 1974.

U.N. Liner Shipping Conference Completes First Session

Following is a report on the first session of the United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences prepared by the Office of Maritime Affairs, Bureau of Economic and Business Affairs.

The 84-country United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences completed its first session December 15 after five weeks of meetings at Geneva. Its purpose, in accordance with a December 1972 United Nations General Assembly resolution, was "to consider and adopt a convention or any other multilateral legally binding instrument on a code of conduct for liner conferences." [1]

The conference was held, following two sessions of a preparatory committee which met in January and June 1973, under the auspices of the United Nations Conference on Trade and Development and was the fruit of developing countries' pressure to bring shipping liner conferences under international regulation. Although originally scheduled to conclude its work in one session, the conference will have a three-week resumed session beginning March 11, at which time it hopes to complete its work.

The U.S. delegation to the U.N. conference was headed by Raymond J. Waldmann, Deputy Assistant Secretary of State for Transportation and Telecommunications, and included representatives from U.S. maritime agencies, interested congressional committees, and private industry.

Despite failure to complete its task at the first session, the conference made considerable progress in the work on the Code of Conduct. The basis of its work was a text with many alternative provisions for the code which had emerged from the June preparatory committee meeting. The conference succeeded in reaching agreement on the texts of a majority of the substantive provisions of the code as well as on the most appropriate approach for the implementation of the code.

This progress resulted from a fairly thorough exploration of some of the technical aspects of the code's provisions as well as from a number of major concessions from both the traditional maritime states and the developing countries. The maritime states were willing to concede a considerable role of government in the operation of the code, more stringent controls over the setting of freight rates, and some provisions for cargo sharing in the code. For their part, the developing countries abandoned their former insistence on a mandatory and binding international arbitration system for enforcing the code, relinquished their strict 40–40–20 cargo-sharing formula for a somewhat more flexible formula, lessened their demand for preferential treatment in the code for the economic interests of developing countries, and agreed to a slightly diminished role of government.

Although differences over a large number of minor provisions were resolved and there was considerable rapprochement on major issues, several of the latter still loom as major problem areas for the March session.

[1] Liner conferences are two or more shipping lines grouped together to fix uniform freight rates and sometimes to concert their business activities in other ways. Conferences transport the large majority of the world's oceanborne general cargo (as distinguished from bulk cargo). Conferences serving U.S. trade have been subject to U.S. regulation through the Federal Maritime Commission or its predecessor since 1916. Most U.S. shipping lines are conference members.

These include the definitive provisions on cargo sharing and especially the degree of flexibility in any formula, the degree of controls to be set over freight rate increases, and especially whether the mandatory (but not binding) conciliation procedure for solving disputes arising under the code will apply to freight rate matters.

A key role was played in the U.N. conference by its President, C. P. Srivastava of India, who had also presided at the two preparatory committee sessions and who became Secretary General of the Intergovernmental Maritime Consultative Organization on January 1. During the latter part of the session Mr. Srivastava prepared, on the basis of discussions within a high-level select negotiating committee, a statement of principles on major issues. The statement was accepted by all of the developing countries, Eastern European Socialist countries, and some maritime countries. Other maritime countries explicitly stated they could not accept it. The United States was unable to accept all of the statement but was prepared to use it as a basis for continuing negotiations, which in fact is what happened.

The conference concluded its session December 15 with the adoption of a resolution which stated the progress achieved, the adherence of a majority of countries to the above-mentioned statement of principles, and the scheduled resumption of the conference on March 11, at which time already agreed texts are not to be reopened for substantive discussion.

The United States will participate in the March session also, and in preparation therefor the Department of State plans to conduct intensive discussions with appropriate government agencies, congressional committees, and the maritime industry. In general, the United States seeks a code which will be consistent with U.S. trade and transport objectives and which will be favorable to the development of fair and efficient relationships in international shipping on a worldwide basis.

President Establishes Commission for World Population Year

AN EXECUTIVE ORDER[1]

ESTABLISHING A NATIONAL COMMISSION FOR THE OBSERVANCE OF WORLD POPULATION YEAR

In a message to the Congress on July 18, 1969, I stated that "One of the most serious challenges to human destiny in the last third of this century will be the growth of the population. Whether man's response to that challenge will be a cause for pride or for despair in the year 2000 will depend very much on what we do today. If we now begin our work in an appropriate manner, and if we continue to devote a considerable amount of attention and energy to this problem, then mankind will be able to surmount this challenge as it has surmounted so many during the long march of civilization".

The General Assembly of the United Nations, by a resolution approved at its twenty-fifth session, has designated the year 1974 as World Population Year. This action was designed to focus international attention on various aspects of the population problem and to encourage appropriate and relevant cooperative activity in this field. In the same resolution, the General Assembly called upon member states and international organizations to participate fully in the World Population Year and to devote the year 1974 to appropriate efforts and undertakings concerning the population question. The Secretary General of the United Nations has called upon member states to begin preparatory work immediately.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. *Establishment of Commission.* (a) There is hereby established a National Commission for the Observance of World Population Year, 1974.

(b) The Commission shall consist of not more than twenty members to be appointed by the President from among citizens in private life. The President shall designate the Chairman and two Vice Chairmen of the Commission from among its members.

(c) The members shall serve without compensation, but shall be entitled to receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703).

SEC. 2. *Functions of the Commission.* (a) The Commission shall promote the appropriate observance in the United States of 1974 as World Population Year. To this end, the Commission shall seek to create within the United States a better under-

[1] No. 11763; 39 *Fed. Reg.* 2349.

standing of the causes, nature, scope, and consequences of the problem of population growth, both national and international, and the relationship of this problem to the quality of human life.

(b) The Commission shall keep itself informed of activities undertaken or planned by various organizations and groups in the United States in observance of the Year and shall seek to consult with such groups and to stimulate such activities.

(c) The Commission shall hold meetings, public or private, at such times and places as the Chairman shall determine. It may assemble and disseminate information, issue reports and other publications, and conduct such other activities as it may deem appropriate to provide for the effective participation of the United States in the observance of World Population Year.

(d) The Commission may establish such subcommittees or working groups, the membership of which may include persons not members of the Commission, as it may deem necessary for the fulfillment of its tasks.

(e) The Commission shall conclude its work by the end of the year 1974 and shall make a report to the President on its work within thirty days thereafter, at which time the Commission shall be deemed to be terminated.

SEC. 3. *Assistance and Cooperation.* (a) The Commission is authorized to request any agency of the executive branch of the Government to furnish the Commission with such information and advice and services as may be useful to it for the fulfillment of its functions under this Order. Each such agency is authorized, to the extent permitted by law and within the limits of available funds, to furnish such information, advice, and services to the Commission upon request of the Chairman or Executive Secretary of the Commission.

(b) Subject to the availability of funds, the Commission may procure the temporary services of experts to assist in its work, in accordance with the provisions of section 3109 of title 5 of the United States Code.

(c) The Departments of State and of Health, Education, and Welfare shall, to the extent permitted by law, provide the Commission with administrative services, facilities, and funds necessary for its activities. The Department of State shall provide an Executive Secretary for the Commission.

(d) The Secretaries of State and Health, Education, and Welfare shall participate with the Commission in order that activities which may be undertaken by the executive branch of the United States Government in observance of World Population Year and those undertaken by the Commission may be properly coordinated.

(e) The President of the Senate and the Speaker of the House of Representatives shall be invited to designate two Members of each House to participate with the Commission in order that activities which may be undertaken by the Congress in observance of World Population Year and those undertaken by the Commission may be properly coordinated.

Richard Nixon

THE WHITE HOUSE, *January 17, 1974.*

Congressional Documents Relating to Foreign Policy

93d Congress, 1st Session

Emergency Powers Statutes: Provisions of Federal Law Now in Effect Delegating to the Executive Extraordinary Authority in Time of National Emergency. Report of the Senate Special Committee on the Termination of the National Emergency. September 1973. 607 pp.

The Impact of the October Middle East War. Hearings before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs. October 3–November 29, 1973. 159 pp.

Ocean Dumping Convention Implementation. Report to accompany H.R. 5450. H. Rept. 93–568. October 10, 1973. 17 pp.

Trade Reform Act of 1973. Report, together with dissenting views, to accompany H.R. 10710. H. Rept. 93–571. October 10, 1973. 204 pp.

Arctic Winter Games Authorization. Report to accompany S. 907. H. Rept. 93–583. October 12, 1973. 8 pp.

Patent Cooperation Treaty and Annexed Regulations. Report to accompany Ex. S, 92–2. S. Ex. Rept. 93–20. October 18, 1973. 10 pp.

Strasbourg Patent Classification Agreement. Report to accompany Ex. E, 93–1. S. Ex. Rept. 93–21. October 18, 1973. 5 pp.

World Tourism Organization. Report to accompany Ex. R, 93–1. S. Ex. Rept. 93–22. October 18, 1973. 7 pp.

Convention Concerning the Protection of the World Cultural and Natural Heritage. Report to accompany Ex. F, 93–1. S. Ex. Rept. 93–23. October 18, 1973. 9 pp.

Metric Conversion Act of 1973. Report, together with additional views, to accompany H.R. 11035. H. Rept. 93–604. October 23, 1973. 22 pp.

Authorize Appropriations for the United States Information Agency. Veto message from the President of the United States returning without approval the bill (S. 1317) entitled "The United States Information Agency Appropriations Authorization Act of 1973." S. Doc. 93–41. October 26, 1973. 4 pp.

Review of Southeast Asia Collective Defense Treaty. Report to accompany S. Res. 174. S. Rept. 93–481. October 30, 1973. 3 pp.

Current Actions

MULTILATERAL

Aviation

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170, 7616). Done at Vienna July 7, 1971.[1]
Ratified by the President: January 14, 1973.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Accession deposited: Pakistan, January 24, 1974.

Copyright

Universal copyright convention, as revised. Done at Paris July 24, 1971.[1]

Protocol 1 annexed to the universal copyright convention, as revised, concerning the application of that convention to works of stateless persons and refugees. Done at Paris July 24, 1971.[1]

Protocol 2 annexed to the universal copyright convention, as revised, concerning the application of that convention to the works of certain international organizations. Done at Paris July 24, 1971.[1]
Ratification deposited: Federal Republic of Germany, October 18, 1973.[2]

Customs

Customs convention on the international transit of goods (ITI convention). Done at Vienna June 7, 1971.[1]
Senate advice and consent to ratification: January 21, 1974.

Narcotic Drugs

Single convention on narcotic drugs, 1961. Done at New York March 30, 1961. Entered into force December 13, 1964; for the United States June 24, 1967. TIAS 6298.
Ratification deposited: Federal Republic of Germany, December 3, 1973.[2]

Postal Matters

Constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), as amended by additional protocol, general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.
Accession deposited: Bahrain, April 4, 1973.

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.
Ratification deposited: Ethiopia, November 26, 1973.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.[1]
Ratification deposited: Ghana, December 7, 1973.
Accession deposited: Union of Soviet Socialist Republics (with statements), November 9, 1973.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972; for the United States October 9, 1973.
Ratification deposited: Switzerland, January 22, 1974.

Trade

Arrangement regarding international trade in textiles, with annexes. Done at Geneva December 20, 1973. Entered into force January 1, 1974, except for article 2, paragraphs 2, 3, and 4; enters into force April 1, 1974, for article 2, paragraphs 2, 3, and 4.
Acceptance: United States, December 28, 1973.

BILATERAL

Afghanistan

Agreement extending the technical cooperation program agreement of June 30, 1953 (TIAS 2856). Effected by exchange of notes at Kabul November 27, 1973, and January 14, 1974. Entered into force January 14, 1974; effective June 30, 1973.

Belgium

Consular convention. Signed at Washington September 2, 1969.
Proclaimed by the President: January 22, 1974.

Bermuda

Agreement on preclearance of U.S.-bound air travelers before departure from Bermuda, with annex. Signed at Hamilton January 15, 1974. Entered into force January 15, 1974.

Colombia

Agreement amending the agreement for sales of agricultural commodities of April 24, 1973 (TIAS

[1] Not in force.
[2] Applicable to Land Berlin.

7623). Effected by exchange of notes at Bogotá December 11, 1973. Entered into force December 11, 1973.

Germany, Federal Republic of

Agreement amending the agreement of November 20, 1962, as amended (TIAS 5518, 7386, 7507, 7607, 7735), for conducting certain educational exchange programs. Effected by exchange of notes at Bonn January 11, 1974. Entered into force January 11, 1974.

Indonesia

Agreement amending the agreement for sales of agricultural commodities of February 14, 1973 (TIAS 7589). Effected by exchange of notes at Jakarta December 31, 1973. Entered into force December 31, 1973.

Netherlands

Agreement relating to travel group charter flights and advance booking charter flights, with memorandum of understanding. Effected by exchange of notes at The Hague July 11, 1973.
Entered into force definitively: January 21, 1974.

Agreement relating to the reciprocal acceptance of airworthiness certifications. Effected by exchange of notes at The Hague January 16, 1974. Enters into force on the date of receipt by the United States of a notification from the Netherlands that the approval constitutionally required in the Netherlands has been obtained.

Nicaragua

Agreement amending the agreement of September 5, 1972 (TIAS 7433), relating to trade in cotton textiles. Effected by exchange of notes at Washington January 9 and 18, 1974. Entered into force January 18, 1974.

Poland

Agreement amending and extending the agreement of March 15, 1967, as amended and extended (TIAS 6228, 6835), relating to trade in cotton textiles. Effected by exchange of notes at Washington January 22, 1974. Entered into force January 22, 1974.

PUBLICATIONS

GPO Sales Publications

Publications may be ordered by catalog or stock number from the U.S. Government Printing Office Bookstore, Department of State, Washington, D.C. 20520. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Energy: Cooperative World Action To Solve Shortages. This pamphlet in the Current Foreign Policy series is based on an address by William J. Casey, Under Secretary of State for Economic Affairs, September 18, 1973, before the Johns Hopkins Conference for Corporation Executives. Pub. 8741. General Foreign Policy Series 281. 6 pp. 25¢. (Cat. No. S1.71:281).

Defense—Use of Facilities at Goose Bay Airport, Newfoundland. Agreement with Canada. TIAS 7702. 6 pp. 25¢. (Cat. No. S9.10:7702).

Agricultural Commodities. Agreement with the Republic of Viet-Nam amending the agreement of October 2, 1972, as amended. TIAS 7706. 2 pp. 25¢ (Cat. No. S9.10:7706).

Extradition—Continued Application to Fiji of the United States–United Kingdom Treaty of December 22, 1931. Agreement with Fiji. TIAS 7707. 3 pp. 25¢. (Cat. No. S9.10:7707).

Cooperation in Combating Illicit International Traffic in Narcotics and Other Dangerous Drugs—Communications Equipment. Agreement with Mexico. TIAS 7709. 4 pp. 25¢. (Cat. No. S9.10:7709).

Agricultural Commodities. Agreement with Bangladesh. TIAS 7711. 10 pp. 25¢. (Cat. No. S9.10:7711).

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No.	Date	Subject
†25	1/21	Rush: Cleveland Council on Foreign Relations.
*26	1/21	Caribbean scholars to visit the United States.
*27	1/22	Stoessel sworn in as Ambassador to U.S.S.R. (biographic data).
28	1/22	Kissinger: news conference.
*29	1/23	Shipping Coordinating Committee, Feb. 26.
*30	1/23	Subcommittee on Code of Conduct for Liner Conferences, Feb. 5.
31	1/23	Kissinger, Shultz: statement on House vote on IDA replenishment.
*32	1/24	Hyland sworn in as Director, Bureau of Intelligence and Research (biographic data).
*33	1/25	U.S. Advisory Commission on International Educational and Cultural Affairs, Feb. 26.

* Not printed.
† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE
BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXX, No. 1808
February 18, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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The State of the Union

Following are excerpts from President Nixon's address made before a joint session of the Congress on January 30, together with excerpts from his message presented to the Congress that day.[1]

EXCERPTS FROM ADDRESS

Mr. Speaker, Mr. President, my colleagues in the Congress, our distinguished guests, my fellow Americans: We meet here tonight at a time of great challenge and great opportunities for America. We meet at a time when we face great problems at home and abroad that will test the strength of our fiber as a nation. But we also meet at a time when that fiber has been tested and it has proved strong.

America is a great and good land, and we are a great and good land because we are a strong, free, creative people and because America is the single greatest force for peace anywhere in the world. Today, as always in our history, we can base our confidence in what the American people will achieve in the future on the record of what the American people have achieved in the past.

Tonight, for the first time in 12 years a President of the United States can report to the Congress on the state of a Union at peace with every nation of the world. Because of this, in the 22,000-word message on the state of the Union that I have just handed to the Speaker of the House and the President of the Senate I have been able to deal primarily with the problems of peace—with what we can do here at home in America for the American people—rather than with the problems of war.

The measures I have outlined in this message set an agenda for truly significant progress for this Nation and the world in 1974.

Before we chart where we are going, let us see how far we have come.

It was five years ago on the steps of this Capitol that I took the oath of office as your President. In those five years, because of the initiatives undertaken by this administration, the world has changed; America has changed. As a result of those changes America is safer today, more prosperous today, with greater opportunity for more of its people than ever before in our history.

Five years ago America was at war in Southeast Asia. We were locked in confrontation with the Soviet Union. We were in hostile isolation from a quarter of the world's people who lived in Mainland China.

. . . . .

Five years ago the spiraling rise in drug addiction was threatening human and social tragedy of massive proportion, and there was no program to deal with it.

Five years ago—as young Americans had done for a generation before that—America's youth still lived under the shadow of the military draft.

. . . . .

We met the challenges we faced five years ago, and we will be equally confident of meeting those that we face today.

Let us see for a moment how we have met them. After more than 10 years of military involvement, all of our troops have returned from Southeast Asia, and they have returned with honor. And we can be proud of the fact that our courageous prisoners of war, for whom a dinner was held in Washington tonight, that they came home with their heads high—on their feet and not on their knees.

[1] For the complete texts, see Weekly Compilation of Presidential Documents dated Feb. 4.

In our relations with the Soviet Union, we have turned away from a policy of confrontation to one of negotiation. For the first time since World War II, the world's two strongest powers are working together toward peace in the world. With the People's Republic of China, after a generation of hostile isolation we have begun a period of peaceful exchange and expanding trade.

. . . . .

A massive campaign against drug abuse has been organized. And the rate of new heroin addiction, the most vicious threat of all, is decreasing rather than increasing.

For the first time in a generation no young Americans are being drafted into the Armed Services of the United States.

. . . . .

As we look back over our history, the years that stand out as the ones of signal achievement are those in which the administration and the Congress, whether one party or the other, working together, had the wisdom and the foresight to select those particular initiatives for which the Nation was ready and the moment was right—and in which they seized the moment and acted.

Looking at the year 1974 which lies before us, there are 10 key areas in which landmark accomplishments are possible this year in America. If we make these our national agenda, this is what we will achieve in 1974:

—We will break the back of the energy crisis; we will lay the foundation for our future capacity to meet America's energy needs from America's own resources.

—And we will take another giant stride toward lasting peace in the world, not only by continuing our policy of negotiation rather than confrontation where the great powers are concerned but also by helping toward the achievement of a just and lasting settlement in the Middle East.

—We will check the rise in prices without administering the harsh medicine of recession, and we will move the economy into a steady period of growth at a sustainable level.

—We will establish a new system that makes high-quality health care available to every American in a dignified manner and at a price he can afford.

—We will make our States and localities more responsive to the needs of their own citizens.

—We will make a crucial breakthrough toward better transportation in our towns and in our cities across America.

—We will reform our system of Federal aid to education to provide it when it is needed, where it is needed, so that it will do the most for those who need it the most.

—We will make an historic beginning on the task of defining and protecting the right of personal privacy for every American.

—And we will start on a new road toward reform of a welfare system that bleeds the taxpayer, corrodes the community, and demeans those it is intended to assist.

—And together with the other nations of the world, we will establish the economic framework within which Americans will share more fully in an expanding worldwide trade and prosperity in the years ahead, with more open access to both markets and supplies.

In all of the 186 state of the Union messages delivered from this place in our history, this is the first in which the one priority, the first priority, is energy.

Let me begin by reporting a new development which I know will be welcome news to every American. As you know, we have committed ourselves to an active role in helping to achieve a just and durable peace in the Middle East on the basis of full implementation of Security Council Resolutions 242 and 338. The first step in the process is the disengagement of Egyptian and Israeli forces which is now taking place.

Because of this hopeful development I can announce tonight that I have been assured through my personal contacts with friendly leaders in the Middle Eastern area that an urgent meeting will be called in the immediate future to discuss the lifting of the oil embargo.

This is an encouraging sign. However, it should be clearly understood by our friends in the Middle East that the United States will not be coerced on this issue.

Regardless of the outcome of this meeting, the cooperation of the American people in our energy conservation program has already gone a long way toward achieving a goal to which I am deeply dedicated. Let us do everything we can to avoid gasoline rationing in the United States of America.

Last week I sent to the Congress a comprehensive special message setting forth our energy situation, recommending the legislative measures which are necessary to a program for meeting our needs. If the embargo is lifted, this will ease the crisis, but it will not mean an end to the energy shortage in America. Voluntary conservation will continue to be necessary. And let me take this occasion to pay tribute once again to the splendid spirit of cooperation the American people have shown, which has made possible our success in meeting this emergency up to this time.

The new legislation I have requested will also remain necessary. Therefore I urge again that the energy measures that I have proposed be made the first priority of this session of the Congress. These measures will require the oil companies and other energy producers to provide the public with the necessary information on their supplies. They will prevent the injustice of windfall profits for a few as a result of the sacrifices of the millions of Americans. And they will give us the organization, the incentives, the authorities, needed to deal with the short-term emergency and to move toward meeting our long-term needs.

Just as 1970 was the year in which we began a full-scale effort to protect the environment, 1974 must be the year in which we organize a full-scale effort to provide for our energy needs not only in this decade but through the 21st century.

As we move toward the celebration two years from now of the 200th anniversary of this Nation's independence, let us press vigorously on toward the goal I announced last November for Project Independence. Let this be our national goal. At the end of this decade, in the year 1980, the United States will not be dependent on any other country for the energy we need to provide our jobs, to heat our homes, and to keep our transportation moving.

To indicate the size of the government commitment to spur energy research and development, we plan to spend $10 billion in Federal funds over the next five years. That is an enormous amount. But during the same five years private enterprise will be investing as much as $200 billion—and in 10 years, $500 billion—to develop the new resources, the new technology, the new capacity America will require for its energy needs in the 1980's. That is just a measure of the magnitude of the project we are undertaking.

But America performs best when called to its biggest tasks. It can truly be said that only in America could a task so tremendous be achieved so quickly, and achieved not by regimentation but through the effort and ingenuity of a free people working in a free system.

. . . . .

America's own prosperity in the years ahead depends on our sharing fully and equitably in an expanding world prosperity. Historic negotiations will take place this year that will enable us to insure fair treatment in international markets for American workers, American farmers, American investors, and American consumers.

It is vital that the authorities contained in the trade bill I submitted to the Congress be enacted so that the United States can negotiate flexibly and vigorously on behalf of American interests. These negotiations can usher in a new era of international trade that not only increases the prosperity of all nations but also strengthens the peace among all nations.

In the past five years we have made more progress toward a lasting structure of peace in the world than in any comparable time in the Nation's history. We could not have made

that progress if we had not maintained the military strength of America. Thomas Jefferson once observed that the price of liberty is eternal vigilance. By the same token and for the same reason, in today's world the price of peace is a strong defense as far as the United States is concerned.

In the past five years, we have steadily reduced the burden of national defense as a share of the budget, bringing it down from 44 percent in 1969 to 29 percent in the current year. We have cut our military manpower over the past five years by more than a third, from 3½ million to 2.2 million.

In the coming year, however, increased expenditures will be needed. They will be needed to assure the continued readiness of our military forces, to preserve present force levels in the face of rising costs, and to give us the military strength we must have if our security is to be maintained and if our initiatives for peace are to succeed.

The question is not whether we can afford to maintain the necessary strength of our defense; the question is whether we can afford not to maintain it—and the answer to that question is no. We must never allow America to become the second strongest nation in the world.

I do not say this with any sense of belligerence, because I recognize that fact that is recognized around the world: America's military strength has always been maintained to keep the peace, never to break it; it has always been used to defend freedom, never to destroy it. The world's peace as well as our own depends on our remaining as strong as we need to be as long as we need to be.

In this year 1974 we will be negotiating with the Soviet Union to place further limits on strategic nuclear arms. Together with our allies, we will be negotiating with the nations of the Warsaw Pact on mutual and balanced reduction of forces in Europe. And we will continue our efforts to promote peaceful economic development in Latin America, in Africa, in Asia. We will press for full compliance with the peace accords that brought an end to American fighting in Indochina, including particularly a provision that promised the fullest possible accounting for those Americans who are missing in action.

And having in mind the energy crisis to which I have referred to earlier, we will be working with the other nations of the world toward agreement on means by which oil supplies can be assured at reasonable prices on a stable basis in a fair way to the consuming and producing nations alike.

All of these are steps toward a future in which the world's peace and prosperity—and ours as well—as a result are made more secure.

Throughout the five years that I have served as your President, I have had one overriding aim, and that was to establish a new structure of peace in the world that can free future generations of the scourge of war. I can understand that others may have different priorities. This has been and this will remain my first priority and the chief legacy I hope to leave from the eight years of my Presidency.

This does not mean that we shall not have other priorities, because as we strengthen the peace we must also continue each year a steady strengthening of our society here at home. Our conscience requires it, our interests require it, and we must insist upon it.

As we create more jobs, as we build a better health care system, as we improve our education, as we develop new sources of energy, as we provide more abundantly for the elderly and the poor, as we strengthen the system of private enterprise that produces our prosperity, as we do all of this and even more, we solidify those essential bonds that hold us together as a nation.

Even more importantly, we advance what in the final analysis government in America is all about. What it is all about is more freedom, more security, a better life, for each one of the 211 million people that live in this land.

We cannot afford to neglect progress at home while pursuing peace abroad. But neither can we afford to neglect peace abroad while pursuing progress at home. With a

stable peace all is possible, but without peace nothing is possible.

In the written message that I have just delivered to the Speaker and to the President of the Senate, I commented that one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives, selecting each year among many worthy projects those that are ripe for action at that time.

What is true in terms of our domestic initiatives is true also in the world. This period we now are in in the world—and I say this as one who has seen so much of the world, not only in these past five years but going back over many years—we are in a period which presents a juncture of historic forces unique in this century. They provide an opportunity we may never have again to create a structure of peace solid enough to last a lifetime and more—not just peace in our time but peace in our children's time as well. It is on the way we respond to this opportunity more than anything else that history will judge whether we in America have met our responsibility, and I am confident we will meet that great historic responsibility which is ours today.

It was 27 years ago that John F. Kennedy and I sat in this Chamber as freshmen Congressmen, hearing our first state of the Union address delivered by Harry Truman. I know from my talks with him as members of the Labor Committee, on which we both served, that neither of us then even dreamed that either one or both might eventually be standing in this place that I now stand in now and that he once stood in before me.

It may well be that one of the freshmen Members of the 93d Congress, one of you out there, will deliver his own state of the Union message 27 years from now, in the year 2001.

Well, whichever one it is, I want you to be able to look back with pride and to say that your first years here were great years and recall that you were here in this 93d Congress when America ended its longest war and began its longest peace.

. . . . . .

EXCERPTS FROM MESSAGE

To the Congress of the United States:

We enter 1974 not at the beginning of an historical cycle, but in the middle of one. Beginnings have been made in many vital areas, beginnings which we now must build upon. New needs have arisen which we are in the process of addressing. Opportunities are coalescing which give us a chance to make historic progress toward a stable peace and expanding prosperity.

In looking at the agenda for 1974, we cannot consider the work of this or of any one year in isolation. What we select as our tasks in 1974 must build on the work of the years before, and anticipate needs of those ahead. Indeed, one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives.

It would be as false to pretend that we could do—or afford to do—everything at once, as it would be to maintain that we can do nothing. Therefore, we must strive to maintain steady progress, selecting each year among many worthy projects those that are ripe for action at that time, and that can be accommodated within the constraints of our budget—but pressing to ensure that the most that can be done is done.

In discussing my legislative recommendations for this Congressional session, therefore, I shall do so in the context of the advances that have already been made, the problems that remain, and the special opportunities we have in 1974 to make further progress.

. . . . . .

Meeting Our Energy Needs

At the start of this Congressional session, the number one legislative concern must be the energy crisis.

The cooperative efforts of the American people, together with measures already taken by the Administration, have significantly reduced the immediate impact of the energy crisis. There has been some economic dislocation and some individual hardships, but these have been minimized by our policy of

encouraging broad conservation measures and allocating scarce energy resources so as to do the least possible harm to jobs and the economy. The object has been to keep our farms and factories producing, to keep our workers on the job, and to keep our goods and services flowing, even if this means that we must live and work in somewhat less comfortable surroundings and drive fewer miles at slower speeds.

Even with the full cooperation of most Americans, however, we will still face real challenges—and genuine shortages—in the months and years immediately ahead. To meet these challenges, we must change our patterns of energy consumption and production, we must press forward with the development of reliable new energy sources, and we must adjust to the fact that the age of unlimited supplies of cheap energy is ended.

The immediate energy crisis began with the oil embargo imposed in the Middle East last fall. But the embargo only hastened a shortage that was already anticipated. For a number of years our fuel consumption had been climbing while our production of domestic energy supplies declined. We became more and more heavily dependent on oil imports and, consequently, more vulnerable to any interruption or reduction in those imports, as well as to sudden increases in foreign prices. Today, we have an interruption in supplies and we face sharply increased prices for those supplies when they are restored.

Irrespective of the possibility of restoring the flow of Middle East oil, we must act now to ensure that we are never again dependent on foreign sources of supply for our energy needs. We must continue to slow the rise in our rate of consumption, and we must sharply increase our domestic production.

The effects of energy conservation can be felt at once. Already the responsiveness of the American people to the recent crisis has proved to be the major factor in helping to avoid the serious consequences that the winter might have brought. That conservation must continue.

The required increase in domestic supplies cannot be achieved so rapidly. It will involve the development of entirely new sources of energy as well as the expanded development of oil and coal resources; it will require a significant expansion of our research and development efforts; it will require a shift from the use of scarce fuels to those which are more plentiful but also more expensive than the cheap energy to which we have been accustomed; it will require that we encourage both exploration and production; it will mean that as we act to prevent the energy industry from making unconscionable windfall profits, we must also avoid crippling that industry with punitive legislation; and finally, it will require that we make some difficult decisions as we sort out our economic and environmental priorities.

As we seek to act domestically to increase fuel supplies, we will act internationally in an effort to obtain oil at reasonable prices. Unreasonable increases in the cost of so vital a commodity as oil poses a threat to the entire structure of international economic relations. Not only U.S. jobs, prices and incomes are at stake, but the general pattern of international cooperation is at stake as well. It is our hope that we can work out cooperative efforts with our friends abroad so that we can all meet our energy needs without disrupting our economies and without disrupting our economic relationships.

Last week I sent to the Congress a comprehensive special message setting forth our energy situation, our energy prospects, our energy needs, and the legislative measures I consider necessary for meeting those needs. I shall not repeat that analysis nor the full list of those recommendations today.

I do want to urge, however, that the critical energy measures which I have proposed be made the first order of legislative business in this session of the Congress, and that work go forward expeditiously on the others. Those measures which I request be given the highest priority are the following:

—A special energy act which would permit additional restrictions on energy consumption and would postpone temporarily certain Clean Air Act requirements for power plants and automotive emissions;

—A windfall profits tax which would pre-

vent private profiteering at the expense of public sacrifice;

—Unemployment insurance for people in areas impacted by serious economic dislocation; and

—Mandatory reporting by major energy companies on their inventories, their production and their reserves.

I am also asking that the Congress quickly establish the Federal Energy Administration and the Energy Research and Development Administration to provide the appropriate organizational structure for administering the national energy policy, as we work toward the establishment of a Department of Energy and Natural Resources.

The 13 other energy measures I requested last week deal with longer-term needs, extending beyond the present emergency. But these also require expeditious action if we are to achieve the goal of Project Independence —a capacity for energy self-sufficiency by 1980. The success of Project Independence is essential to the continued strength of our position in world trade, and also to our independence of action as a great power.

I hope that our joint efforts now to resolve the energy crisis and to move toward a capacity for self-sufficiency in energy will enable the President who addresses the 98th Congress a decade from now to look back and say we made it possible for America to enjoy continued peace and prosperity in the 1980s.

The Nation's Economy

The World Economy

During the past three years the United States has reached an unprecedented level of material prosperity. Industrial output has set new records. Trade has flourished. Consumption has risen to the highest levels in history. Even our inflation rate—the most serious economic problem we now face—has been one of the lowest in the industrialized free world.

The major policy decisions we took in 1971 contributed significantly to this prosperity—both here and in other countries. It was clear, for example, as we moved into the 1970s that the international monetary system adopted after World War II needed major adjustments. Unsustainable imbalances had developed, threatening a resurgence of protectionism and a disruption of world trade. This is why I decided to take some very strong measures in August of 1971, measures that have resulted in a major realignment of world currency values, progress toward new and more flexible international monetary management, and negotiations toward a more open and equitable trading system.

These adjustments, while essential, were not easy. But now we have finally entered into a more flexible and realistic international financial system. Much remains to be done to complete the transition, but its beneficial results are already clear.

The realignment of currency values helped produce an increase of 80 percent—or more than $50 billion—in the rate of U.S. exports during the past two years, along with a major improvement in our trade balance. This improvement was good not only for us, but also for the rest of the world. In addition, the shocks to the world economy arising from reduced food supplies in 1972 and 1973, and in recent months from the oil embargo and the arbitrary increases in the price of oil, all were managed without panic under the new arrangements. Indeed, world trade has continued to expand, despite these temporary difficulties.

International Trade Barriers

A vigorous international trade is vital to the American economy. Jobs for American workers depend on our ability to develop foreign markets. Moreover, American consumers deserve access to foreign-made products that might be less expensive, or more interesting, or unavailable in the United States. But if trade is to be advantageous over the long run, it must be conducted on a basis which is fair to all participants.

There are still many unnecessary barriers to trade which need to be lowered or removed. While improvements have been made in this situation during the last 10 years, we

need now to build on this progress and to negotiate for more open access both to markets and supplies. This is why I call upon the Congress with special urgency to complete action on my proposed Trade Reform Act, in order to provide the authority we will need to negotiate effectively for reductions in barriers to trade, to improve the trading system, and to manage trade problems at home more effectively.

As the Senate considers this legislation, I would draw its attention particularly to provisions added in the House which would seriously impede our efforts to achieve more harmonious international relationships. These provisions would effectively prevent both the extension of nondiscriminatory tariff treatment and of credits to certain Communist countries unless they followed a policy which allowed unrestricted emigration. I am convinced that such a prohibition would only make more difficult the kind of cooperative effort between the United States and other governments which is necessary if we are to work together for peace in the Middle East and throughout the world. I am confident that by working with the Congress we can find a solution to this problem that will avoid a major setback in our peacemaking efforts.

At the same time, we must move forward with current negotiations to reform the international payments system under the auspices of the International Monetary Fund. These negotiations are designed to increase the opportunities for all nations to trade and invest profitably. The U.S. has already presented proposals for deterring the growth of significant imbalances in international monetary affairs while preserving for each nation a wide freedom in choosing how necessary adjustments can best be accomplished. In addition, the system will also have to accommodate the increased payments flow and prospective reserve accumulations occasioned by higher oil prices. If, however, other nations share with us the will to preserve a healthy and growing world economy, I am confident that a mutually acceptable solution to this problem will be achieved.

In practice, this means that our markets must increasingly be open to imports from developing countries—a condition that would be significantly facilitated by enactment of the Trade Reform Act. It also means that the Congress must continue to authorize and appropriate our fair share of both bilateral and multilateral economic assistance, including a substantial contribution to the International Development Association which helps the poorest countries. In 1973 we successfully negotiated a reduction of the United States share from 40 percent to one-third of IDA funds. We cannot let the action of the House in voting against IDA stand as our final answer. We will work hard with the Congress to ensure that this country continues to play a leadership role, consistent with our own economic situation, so that long-term economic development can continue to be planned in an orderly manner.

Along with trade and monetary problems, new international agreements on investment policies and new mechanisms for dispute settlement are high on our negotiating agenda for the coming year. We must continue to work for economic arrangements which permit the beneficial flow of international investment so that all may derive the maximum benefit from their own resources. To that end, I am glad to be able to note that this week the United States completed the phaseout of controls on flows of capital from this country.

The recent oil embargo and especially arbitrary increases in the price of oil have created major economic problems for many countries, including the United States. If continued, these policies would require enormous transfers of goods and assets from oil importing nations, transfers which would represent a serious burden for even the wealthiest countries and which would be virtually unbearable for the less developed countries.

Our objectives are clear—we must get world oil prices down from levels that are arbitrary and exploitative. We must also cooperate to ensure that the international and domestic economic policies of the ad-

vanced countries do not compound the economic disturbances created by the current emergency but rather that we do all that can be done to contain and limit those disturbances.

. . . . .

A Healthy Agricultural Economy

Abundance is the primary goal of our farm policy—abundance that can guarantee lower food prices for every American and higher incomes for all American farmers.

Five years ago, agriculture was a troubled industry:

—Government controls were reducing incentives for production and costing the taxpayers over $3 billion a year in farm subsidies designed to hold down production.

—Farm income was low ($14.7 billion) and the long hours worked by farmers earned them an average income that was 26 percent below the nonfarm average. Farm families had been leaving the farm at an average rate of over 100,000 a year.

Today, that picture has been dramatically altered:

—Farm markets have expanded dramatically. Farm exports have set new records in each of the last four years, becoming the largest single factor in the Nation's balance of payments and strengthening the dollar in international money markets.

—Farm production has reached new record levels in each of the last three years, and a new record harvest should be forthcoming in 1974.

—The billions of tax dollars which used to go for farm price support payments for basic commodities every year will be reduced to nearly zero.

—Farm income has reached record levels. By 1973, the gap between farm income and nonfarm income had closed from 26 to 7 percent. Net farm income was up from $14.7 billion to $26.1 billion.

We are making this progress not through more Government regulation but less. One of the proudest achievements of this Administration was the enactment of the Agriculture and Consumer Protection Act of 1973, which places production decisions where they belong—with farmers, not with the Government.

A primary challenge for Federal agriculture policies now is to encourage greater production of agricultural goods—which will mean more income for the farmer, greater international trading benefits for the Nation, and reasonable food prices for the consumer. I am therefore asking the Congress to revamp the programs which still require restrictive Federal control over the production of some remaining farm commodities—especially rice, peanuts, tobacco, sugar, and extra long staple cotton.

To further enhance agricultural activity, the Administration will also:

—Promote longer-run soil and water conservation practices.

—Consolidate the locations of local offices of Federal agricultural agencies—specifically, the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Farmers Home Administration, and the Federal Crop Insurance Corporation —creating one-stop agricultural service centers on the local level to make things easier for the farmer and less costly for the Government.

—Place high priority on directing agricultural research into those areas which will assure plentiful agricultural goods at reasonable prices, maintain our competitive advantage in world agricultural production, and protect the land.

At my direction, Secretary Kissinger recently proposed to the United Nations that it convene a World Food Conference, a concern made urgent by acute food shortages in many parts of the world. This conference, to be held in November of 1974, should prove of particular importance to the American farmer, whose extraordinary productivity has made this Nation the world's leading food exporter and whose own prosperity will continue to increase as we help to meet the needs of a hungry world.

Our farm policy must of course address not only the needs of the farmer but also those of the consumer. During 1973, we experienced a period of rapidly increasing food prices. Those prices leveled off in late 1973, but now we appear to be heading into a period of increasing food prices for at least the next few months. It is our intention to hold these increases to the smallest possible rate through executive actions such as lifting the quota on wheat imports, an action that I took last week. But the most significant force in the battle against higher food prices is higher production. This summer and fall, the large 1974 harvest should be coming on the market, serving as the best possible damper on higher prices.

. . . . .

Ending Drug Abuse

During the decade of the '60s, increasing numbers of Americans—including a high percentage of young people—each year turned to heroin and other drugs in search of "new highs" and "synthetic solutions" to the problems of life. In this retreat from reality, the Nation's drug problem grew dramatically. Residents of our proudest cities were gripped by fear as addicts turned to crime to support their habits, and thousands of families suffered devastating personal tragedies.

I am pleased to be able to report that since then, Federal spending on drug treatment and enforcement have increased tenfold, and progress has been made. We have indeed turned the corner on hard drugs:

—Better drug law enforcement, at home and abroad, has caused an acute heroin shortage throughout much of the country.

—Enough treatment capacity has now been created so that virtually all addicts who want medical help and counselling can get it.

—Our drug abuse indicators all suggest that we have at last succeeded in reducing both the total number of heroin addicts and the number of new addicts.

Nevertheless, the drug battle is far from over.

For the sake of the next generation, I am determined to keep the pressure on—to ensure that the heartening progress made to date is translated into a lasting victory over heroin and other drugs.

As enforcement efforts meet with success in one area of the world, pressure increases on other trafficking routes. To meet these new threats, we will step up our support of joint drug enforcement programs. I have also directed that plans for increased vigilance at our own borders be put into effect.

In the treatment area, we are intensifying our efforts to encourage hard-core addicts to undergo treatment.

To provide added incentive for those not motivated to seek help on their own, I have directed Federal agencies to expand their support for local programs which direct addicts charged with crimes into treatment pending trial and sentencing.

Continued progress will also require help from the Congress:

—I will shortly recommend severe new penalties for both heroin traffickers and those engaged in illegal distribution of other illicit drugs. This legislation will supplement my proposals currently pending before the Congress.

—The Psychotropic Convention, a key international treaty regulating manufactured drugs worldwide, has—after 2½ years—still to be ratified. Affirmative action in this session is of the utmost importance.

I will continue to pursue a balanced approach to the drug problem in the next year by emphasizing both vigorous law enforcement, and treatment and rehabilitation programs to help speed the return of ex-addicts to productive lives in society.

Enhancing the Environment

Both our Nation and the world have made imposing strides during recent years in coping with the problems of our natural environment. Building upon well-justified concerns, we have created institutions, developed policies and strategies, and deepened public understanding of the problems that face us.

. . . . .

Improving the World Environment

On our small planet, pollution knows no boundaries. World concern for the environment is as necessary as it is encouraging. Many significant international actions have been taken in recent years, and the United States can be proud of its leadership.

These actions have included the signing of international conventions to protect endangered species of wildlife, to regulate ocean dumping, to extend the national park concept to the world, and to control marine pollution.

A United Nations Environment Program was established last year. With it, the UN Environment Program Fund came into being, fulfilling a proposal I had made in 1972.

Under the US–USSR Environment Agreement, which I signed in Moscow in May, 1972, Soviet and American scientists and environmentalists have been actively working together on serious environmental problems.

. . . . .

America and the World

When this Administration took office, it was apparent that the world had changed in fundamental ways, and that America's foreign policy had to change in equally fundamental ways.

We needed to end our military involvement in the Vietnam war in a manner consistent with our responsibilities and commitments as a major world power.

We needed to adjust to the changes in the strategic situation between the Soviet Union and the United States which presented a unique opportunity to build a solid foundation for peace but which also threatened our own security if that foundation could not be built.

We needed to end a quarter century of hostile isolation which had kept one-fourth of the world's population outside the framework of international cooperation. The world could not afford another generation of hostility between the United States and the People's Republic of China.

We needed to adjust our partnerships with Western Europe and Japan, recognizing their increasing political and economic strength and self-reliance, and emphasizing our important common goals.

We needed to alter the world monetary system to reflect the new realities of the international economic system and America's place in it.

During the past five years we have made striking progress in meeting each of these needs.

Continuing Responsibility in Vietnam

The United States is at peace for the first time in more than a decade. But peace must be something more than the absence of the active engagement of American forces in conflict.

We must guard against the tendency to express relief at our military extrication from Southeast Asia by "washing our hands" of the whole affair. Men and women are still dying there. We still have a responsibility there. We must provide those ravaged lands with the economic assistance needed to stabilize the structures of their societies and make future peace more likely. We must provide, as well, the continued military aid grants required to maintain strong, self-reliant defense forces. And we will continue to insist on full compliance with the terms of the agreements reached in Paris, including a full accounting of all of our men missing in Southeast Asia.

Building New Relationships

As we work through detente to reduce conflict in areas of the world where both we and the Soviet Union have important interests, we must also continue to work to reduce the potential causes of conflict between us.

We must persevere in our negotiations with the Soviet Union to place further limits on strategic arms competition and in our talks with the Warsaw Pact nations to reduce forces in Europe in a way that will increase security and stability for all.

We will pursue our relations with the Soviet Union in the climate of detente established two years ago in Moscow and reaf-

firmed by General Secretary Brezhnev's visit to Washington last year. During the fateful weeks of the Middle East war last October, the strength of our detente was severely tested. Since then, American diplomatic leadership and initiative have played a central role in the search for a final settlement in the long-troubled Middle East. This began with the ceasefire of October 22, worked out with the Soviet Union's assistance, and was later strengthened by the Six-Point Agreement in November to consolidate the ceasefire, then by the Geneva Peace Conference—under the co-sponsorship of the United States and the Soviet Union—and most recently by the agreement on the disengagement of Egyptian and Israeli military forces, which is being implemented in cooperation with the United Nations Emergency Force. These steps are but the beginning of broadened efforts to find a lasting settlement of the area's problems.

The process of building a normal relationship with the People's Republic of China continues. Liaison offices have been established in our respective capitals and there continues to be fruitful contact between our governments at very high levels.

Strengthening Our Free World Partnerships

As our relationships with old adversaries are changing, so are our relationships with old friends. Western Europe and Japan have put behind them the post-war struggle to rebuild their economies, re-order their societies and re-establish their political force. Their success in these endeavors is something we helped to foster and in which we can take pride. But now times have changed and our past role in their success cannot be the sole basis for a continuing relationship. We must instead adjust our relationships to recognize their new economic capacities and their international political objectives. We must accommodate all of these within the framework of the friendship and goodwill of our allies and our whole past history of cooperation in the pursuit of our common goals. This is a cornerstone of the structure of peace we are seeking to build.

With our closest neighbors, here in the Western Hemisphere, we shall continue to seek additional ways of working cooperatively to solve the problems which face the Americas. Secretary of State Kissinger will be meeting in a few weeks with the foreign ministers of Latin America to begin a new and constructive dialogue in the family of American states.

International Trade and Commerce

As we turn from an era of confrontation to one of cooperation, trade and commerce become more important. We have moved from a position of virtual economic hegemony in the world to a new role in a more interdependent world economy. We must create an equitable and efficient system of integrating our own economy with that of the rest of the world.

Much has already been accomplished on this front. The markets of the USSR and China are now accessible, thereby providing jobs for American workers. Our major trading partners in Western Europe and Japan share our interest in further reducing international trade barriers and increasing world trade. The rigid and outmoded international monetary system which over-valued the dollar and impeded our foreign trade has been decisively altered. After two years of trade deficits, America achieved a trade surplus in 1973.

But we must persevere in our international monetary, investment and trade negotiations. The greatest tasks still lie ahead and the stakes are high. Avoiding the economic and political disruptions associated with international monetary turmoil and restrictive trade and investment practices increases in importance as international interdependence grows.

As I noted earlier in this message, prompt passage of the pending Trade Reform Act is essential to achieving the goal of a less restrictive and more equitable international economic system. In addition, we must move forward with the current negotiations to reform the international payments system under the auspices of the International Monetary Fund, reforms which will markedly

increase the opportunities for nations to trade and invest profitably.

We must also strengthen our resolve as the world's most prosperous nation to help less fortunate countries. In the world of today, no nation will be fully secure or prosperous until all nations are. As in the past, we will take pride in our efforts to work with developing nations which aspire to greater economic and social well-being. The United States has called for the World Food Conference which will be held in November under the auspices of the United Nations. We will also actively observe 1974 as World Population Year, as proclaimed by the United Nations.

Maintaining a Strong Defense Force

But as we work for peace, we must be conscious that the opportunity to build a structure of peace came because our arms have served as a deterrent to war. We must maintain that deterrent.

In the last five years, outlays for the Department of Defense have been reduced by about ⅓—measured in constant dollars—and military personnel have been cut from 3.5 million to 2.2 million.

This year, I will recommend a substantial increase in the 1975 budget for the Department of Defense. These increases are necessary to improve the readiness of our armed forces, to build up levels of essential equipment and supplies and to preserve present force levels in the face of rising costs.

Conclusion

Throughout these five years, I have had one overriding aim: to establish a structure of peace in the world that can free future generations from the scourge of war. Others may have different priorities; this has been and will remain my first priority, the chief legacy that I hope to leave from the eight years of my Presidency.

As we strengthen the peace, we must also continue each year a steady strengthening of our society here at home. Our conscience requires it. Our interests require it. We must insist on it.

As we create more jobs, as we build a better health care system, and improve education; as we develop new sources of energy, as we provide more abundantly for the elderly and the poor, as we strengthen the system of private enterprise that produces our prosperity—as we do all this and more, we solidify those essential bonds that hold us together as a Nation. Even more importantly, we advance what in the final analysis government in America is all about: more freedom, more security, a better life, for each one of the 211 million individual persons who are America.

We cannot afford to neglect progress at home while pursuing peace abroad. But neither can we afford to neglect peace abroad while pursuing progress at home.

With a stable peace, all is possible; without peace, nothing is possible.

Earlier in this message, I comment that "one of the continuing challenges facing us in the legislative process is that of the timing and pacing of our initiatives . . . selecting each year among many worthy projects those that are ripe for action at that time . . ."

What is true in terms of our domestic initiatives is true also in the world. This period we now are in—these few years—presents a juncture of historic forces unique in this century, which provide an opportunity we may never have again to create a structure of peace solid enough to last a lifetime and more—not just peace in our time but peace in our children's time as well. It is on the way we respond to this opportunity, more than anything else, that history will judge whether we in America have met our responsibility.

I have full confidence that we will meet that responsibility.

Richard Nixon.

The White House, *January 30, 1974.*

Foreign Investment and Free Capital Markets

Statement by William J. Casey
Under Secretary for Economic Affairs [1]

From the earliest days of the Republic we have maintained a policy of welcoming foreign investment. As part of our efforts since the 1930's to forge an open world economy, we have urged others to do the same. We have been a moving force behind the OECD [Organization for Economic Cooperation and Development] Code of Liberalization of Capital Movements; we have entered into a network of bilateral treaties of friendship, commerce, and navigation or of amity and economic relations to secure and to grant national treatment to foreign investment; through our tax laws and bilateral tax treaties we have sought to achieve neutrality with regard to whether income is earned in this country or abroad. We have encouraged foreign investment because of its contribution to economic development and questioned the wisdom of policies such as expropriation, which if adequately compensated sends capital out of a country, and if not, has an adverse effect on private investment flows.

To abandon our traditional hospitality toward foreign investment would make it difficult to resist restrictions against our own economically much more significant foreign investment. Even more important, it would bring into question the U.S. commitment to the type of open world economy which we are trying to achieve through the current international monetary and trade negotiations.

However, it is clear that concern has developed, particularly in recent months, about the prospect that foreign investors may wish and be able to sharply increase their ownership in American industry. This concern seemed to come from the ability of foreign interests to acquire devalued dollars cheap and buy into U.S. companies at bargain basement prices in a depressed stock market. We have seen the devalued dollar turn around sharply in recent weeks. This concern also comes from the possibility that the huge money flows which escalated oil prices will bring to oil-producing countries may be applied to acquire control over significant segments of the American economy. The inquiry which this committee is initiating today provides a timely forum for a careful reevaluation of our traditional open door policy of encouraging and welcoming foreign investment in the United States.

While recognizing the validity of these new concerns, it continues to be the view of the Department of State that it would be damaging to the United States and to the world economy and our interests, both political and economic, to create barriers to the inflow of foreign capital and the technology and skills which frequently accompany it. There are many reasons for this conclusion. We believe that our traditional policy of welcoming foreign investment and fostering the free flow of investment as it finds opportunity and

[1] Made before the Subcommittee on International Finance of the Senate Committee on Banking, Housing and Urban Affairs on Jan. 23. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

need around the world has worked well for us and for others.

We will not be able to establish significant barriers to foreign investment in the United States without risking the imposition of restrictions on our investment abroad. We are much more exposed and have more to lose from this than anyone else.

The U.S. investment abroad now runs close to $100 million—$94 million at the end of 1972 as reported by the Commerce Department. The direct foreign investment in the United States at that time was set at $14.4 million, less than 15 percent of our direct investment abroad. On top of that we had portfolio investments of about $34 billion, while foreign holdings of American stocks and bonds ran to about $45 billion. Thus, U.S. total investments abroad, at $128 billion, run more than twice foreign investment in the United States, which amounts to about $60 billion. Of U.S. investments abroad about 75 percent represent direct ownership of business abroad, while in the case of foreign investment here the ratio is just the opposite—about 25 percent direct ownership and with 75 percent representing investment in stocks and bonds and other portfolio assets.

Our $6 billion-plus trade deficit in 1972 was offset by a $10 billion net inflow in dividends, interest, royalties, et cetera, from our private investments abroad (or $8 billion if interest income paid to foreign central banks is included). This inflow is expected to increase by a further 25 to 30 percent for 1973.

We have become a service economy, where two out of three workers produce services, while only the third produces the goods that are the stuff of trade. This kind of an economy must rely increasingly on receipts from dividends and royalties from investments abroad and from services, especially financial and management services exported largely in the form of multinational enterprises' investments. To balance off these investments, we must export securities and bring in foreign investments to the United States. As a country which faces increasing needs for resources of energy and raw materials from abroad, we will have to invest abroad and increase the inflow of investment earnings to justify that investment.

To balance off that investment we will have to attract investments from abroad. We will have to maintain and strengthen our ability to raise capital throughout the world as well as at home.

We have restricted the export of capital from the United States for some 10 years—through the interest equalization tax on the purchase of foreign securities and restrictions on the degree to which American companies and banks could make direct investments and extend credit abroad. This has had the effect of shifting the center of the international capital market from New York to Europe. We have scaled down these capital export restrictions substantially and plan to eliminate them sometime this year. This seems likely to result in some increase in equity and loan capital going abroad, and it should be offset by an increase in the repatriation of earnings and in investments from abroad.

To avoid excessive drains on our balance of payments from this freeing of our capital market, we should encourage investment in the United States and facilitate the joining of American savings with funds generated abroad to generate the worldwide financing which the needs of our rapidly changing world require. The time has come for greater American participation in international capital markets.

Interdependence in a Time of Scarcities

There is a growing economic interdependence which links all parts of the world. I believe this to be of great value and importance in building political and security as well as economic welfare. We have experienced the serious consequences which follow when any one of those links, whether it be oil or soybeans or money, is broken or interrupted. This interdependence is made even more crit-

ical by the scarcities around us, the rate at which resources are being depleted, and the degree to which commodities essential to modern life are concentrated in a few countries.

The need for energy and raw materials and for the ability to absorb waste and pollution will in the next few years require a reorganization and relocation of industry, an expansion of transportation facilities, a rate of new plant construction, and a mobilization of capital which will dwarf anything we have seen before.

We believe particularly that now, when the world faces shortages and escalating prices in oil, in food, in metals, in fibers, is no time to cut off and isolate the natural tendency of capital, technology, and management skills to go where resources, opportunity, and need are to be found.

With sharply escalated oil prices shifting large flows of money to oil-producing states and placing the financial reserves and the economies of both developed and underdeveloped nations under great pressure, the stability of the world's monetary and trading system may depend on our ability and the ability of other nations to keep these funds in circulation in part by attracting investments from oil-producing states directly and indirectly through financial intermediaries and capital markets and through ventures with or investments in the corporate organizations in Europe, the United States, Japan, and elsewhere which have experience and capability in mobilizing and applying the ingredients of production and economic development. It would, in our view, be a particularly inappropriate time to establish a maginot line against foreign investment.

The United States has a very great opportunity and obligation to respond to the world's need for energy. We are less dependent on foreign energy sources than Europe and Japan. The quantum leap in prices will attract investment to create and find new energy resources. We have the assets most likely to attract these investment flows—the oil- and gas-finding experience, the offshore drilling and technology, the evaluated sites, the nuclear technology, the coal and shale, the advanced technologies to create new energy sources from the atom, hydrogen, and the sun as well as to make available resources go further through more efficient transmission, storage, and use of energy.

To develop new technologies, to extract oil and gas from coal and shale and build nuclear power plants at home, and to carry out exploration throughout the world, offshore and onshore, we will have to raise hundreds of billions of dollars in this next decade.

We will need to get some of this capital from foreign sources. We will need to send capital abroad. We will need to harness our own capital and capital from oil-producing states to apply technology and skill to the development needs of less developed countries if they are to be able to continue their development while paying higher fuel bills.

In short, if we are to overcome the resource shortages, manage the payment deficits, and meet the development needs that loom ahead, we must rely heavily on the two-way flow of capital and technology and management skills around the world. For us to establish barriers to investment in the United States would represent a very serious backward step.

We hear the fear expressed that foreigners are buying up the United States. I've already indicated that we're ahead 6 to 1 against the world in foreign investment. There has been a significant acceleration in foreign direct investment. Foreign interests building plants here and buying interests in companies exceeding 25 percent has taken an increase three times from $700 million to $2 billion from 1972 to 1973. But that $2 billion is less than one-fifth of 1 percent of the value of all stock outstanding and about 27 percent of the new capital we raised in the United States last year. It will take a very long time for anyone to buy up the American economy. That doesn't mean that we should not watch carefully the impact of foreign investment

on particular sectors of the economy where it might acquire a significant position if concentrated.

Bilateral and Multilateral Arrangements

Let me now turn to how we have articulated policies and understandings on foreign investment and what we are now doing to develop these policies further.

We have 130 treaties of the type known as FCN—friendship, commerce, and navigation—beginning with France in 1778. The basic concept in all these treaties is either national treatment or most-favored-nation treatment. National treatment means the same treatment a country gives its own citizens. Most-favored-nation treatment means the treatment that a country extends to nationals of the foreign country which is entitled to the most favorable treatment, which may be less favorable than national treatment.

In recent years, national treatment has been the norm, supplemented by specific provisions to assure that, irrespective of the treatment actually accorded to nationals, the nationals and companies of the other party receive treatment no less favorable than that required by international law. These are reciprocal; the rights which we seek for American investors abroad must be those we seek to accord to foreign investors in the United States. However, national treatment is always subject to reasonable exceptions, and how it is applied varies with circumstances in each country. Treaties are the products of negotiation. They reflect the concerns not only of the United States but also of the country with which the treaty was concluded.

Although FCN treaties still provide for most international obligations in the area of foreign investment, we may expect that in this, as in other areas of international economic activity, bilateralism will eventually give way to more pervasive multilateral agreements.

To date, the principal multilateral agreement is the Code of Liberalization of Capital Movements, or Capital Movements Code, adopted by the OECD in 1961. All OECD members except Canada adhere to the code. Its purpose is to extend the liberalization of capital movement worldwide. It makes little attempt to establish sanctions for noncompliance and in fact expressly prohibits retaliation against states which lodge reservations or invoke derogations—in short, do not want to comply in one respect or another.

The basic obligations set forth in the code are: first, to abolish progressively restrictions on movements of capital "to the extent necessary for effective economic cooperation"; second, to accord the same treatment to all nonresident-owned assets; and third, to permit liquidation of nonresident-owned assets and the transfer of the proceeds therefrom. By liberalization is meant the granting, upon request, of any authorization required for a specific type of transaction as well as the transfer of funds to accomplish the transactions. Countries may enter reservations at any time with regard to certain specified transactions. With regard to others, also listed, the country must enter its reservation when it adheres or when that type of transaction is added to the list.

These obligations are far less restrictive than the obligations contained in our bilateral treaties. At the most, a country is required to extend most-favored-nation treatment to other member states with respect to the transactions listed in the two lists. Although the Code contains a normative standard, "liberalization," there is no obligation to accord fully liberalized treatment with respect to any transaction, but only to move toward liberalization at a rate to be determined by the country itself.

At our request, the OECD Council has decided that the provisions of the code do not apply to an action by one of our States which comes within the jurisdiction of that State. As far as our Federal Government is concerned, we have lodged a reservation with

respect to the liberalization of direct investment transactions by aliens in sectors from which they are excluded by statute.

Our consistently liberal attitude toward foreign investment in the United States has undoubtedly been a positive factor in convincing other nations to adopt similar policies with respect to our investment.

Steps Toward International Consensus

All this highlights the need for some international consensus on foreign investment issues—a consensus recognizing the important positive role that foreign investment plays in the world economy and permitting agreement on some ground rules to be observed by both governments and corporations.

Given the wide national and regional differences in economic development, legal systems, and other factors, we consider it premature to try to develop a single new international forum for handling the whole range of foreign investment issues—better, we think, to tackle investment issues individually and in the forum judged most appropriate to the purpose. On a number of investment issues, it will be easier to obtain a consensus among the developed countries, certainly for the time being.

The OECD Capital Movements Code has been useful, but it is only a beginning. It does not cover the question of national treatment for foreign-owned enterprises once an investment has been made. Nor does it cover government incentives to attract investment on the one hand and taxes to restrict it on the other. Nor do our FCN treaties go far enough. Their highly qualified statement of national treatment may be an adequate solution to the treatment of our foreign investment once it is in place. The permitted exceptions to national treatment vary, however, from treaty to treaty. There are many countries with whom we have no FCN treaty at all. Canada, our most important investment partner, is the outstanding example.

Given the rapid growth of foreign investment, the important lacunae in existing international agreements, and the domestic pressures in a number of countries to adopt more restrictive policies, the administration has placed a high priority on sitting down with the other developed countries to determine where we go from here.

We have taken a leading role in the review of investment issues now underway in the OECD under the general coordination of the Executive Committee meeting in Special Session, called the XCSS. In the five meetings which we in the XCSS have held since December 1972 and in two ancillary meetings of government investment experts, we have pressed for the establishment of consultation machinery which would give any member country a forum to air its concerns about the investment policies, either restrictive or encouraging, of another member country. We hope that the consultation machinery will include a review procedure. Considerable progress has been made in this direction. Much hard work remains to be done over the coming months.

Of great importance, too, is the work going forward in the OECD on multinational corporations. This involves highly technical problems for the most part. Because the complexity of these issues is not widely realized, more heat than light is often shed in public discussions. I am pleased that the various specialized committees of the OECD are intensifying their analyses of these problems, with the results to serve as a well-documented and well-studied basis for considering the extent to which we can in fact develop balanced guidelines for the relationships of governments and companies, and the avoidance of problems which can spill over into our foreign relations.

We recognize of course that some foreign investment matters will have to be treated in broader fora which include the developing countries and the Socialist states. Accordingly, we are cooperating in the studies of foreign investment and multinational corporation activities currently going forward in the various member organizations of the U.N. family—ECOSOC, ILO, UNCTAD, and

UNCITRAL [Economic and Social Council; International Labor Organization; United Nations Conference on Trade and Development; United Nations Commission on International Trade Law].

These studies can make valuable contributions to the state of our knowledge on foreign investment matters. Several of our major companies are cooperating with the United Nations, because they realize, as we do, that international benchmarks will contribute greatly to a stable atmosphere in which to do business. This government will likewise cooperate with these U.N. initiatives and through our participation try to make certain that the studies are objective and supportive of the development of an international consensus on foreign investment.

Congressional Documents Relating to Foreign Policy

93d Congress, 1st Session

Extending the Temporary Suspension of Duty on Certain Bicycle Parts and Accessories. Report to accompany H.R. 6642. H. Rept. 93–611. October 30, 1973. 3 pp.

Energy Facts. Prepared for the Subcommittee on Energy of the House Committee on Science and Astronautics by the Science Policy Research Division, Congressional Research Service, Library of Congress. November 1973. 539 pp.

Inter-American Relations. A Collection of Documents, Legislation, Descriptions of Inter-American Organizations, and Other Material Pertaining to Inter-American Affairs. Printed for the use of the House Committee on Foreign Affairs. November 1973. 780 pp.

Intervention on the High Seas Act. Report to accompany S. 1070. S. Rept. 93–482. November 2, 1973. 6 pp.

United States Contributions to International Organizations. Letter from the Secretary of State transmitting the 21st report on the extent and disposition of U.S. contributions to international organizations, for fiscal year 1972. H. Doc. 93–195. November 5, 1973. 86 pp.

China Report. Report of a special congressional delegation. July 1973. S. Doc. 93–43. November 7, 1973. 13 pp.

A Letter From the Chairman, National Advisory Council on International Monetary and Financial Policies, Transmitting a Special Report to the President and to the Congress on the Proposed Replenishment of the Resources of the International Development Association. H. Doc. 93–181. November 7, 1973. 84 pp.

A Letter From the Chairman, National Advisory Council on International Monetary and Financial Policies, Transmitting a Special Report to the President and to the Congress on a Proposed Contribution and Subscription of Resources to the Asian Development Bank. H. Doc. 93–182. November 7, 1973. 106 pp.

Protocol to the Convention for the International Council for the Exploration of the Sea. Message from the President of the United States transmitting the protocol done at Copenhagen on August 13, 1970. S. Ex. V. November 9, 1973. 5 pp.

National MIA Awareness Day

A PROCLAMATION[1]

Over 1,200 Americans are still missing and unaccounted for in Southeast Asia. The bodies of more than 1,100 men who were killed in the same area have never been recovered.

Although the Vietnam Agreement of January 27, 1973, obligates North Vietnam and its allies to account for the missing and to return the remains of those who died, communist authorities have failed to account for our missing, or to return the remains of our dead in the year that has elapsed since the Vietnam Agreement was signed. As a result, the families of our missing men continue to live with the anguish of uncertainty about the fate of their loved ones.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America do hereby designate Sunday, January 27, 1974, as National MIA Awareness Day, a day dedicated to the many Americans who remain missing and unaccounted for in Indochina, and to their families. I call upon all Americans to join on this occasion in expressing the clear, continuing commitment of the American people and their Government to seek the fullest possible accounting for Americans missing in Southeast Asia and the return of the remains of those who died. I also call upon State and local officials and private organizations to observe this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of January, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.

[1] No. 4261; 39 *Fed. Reg.* 3535.

Assistant Secretary Sisco Discusses Progress in Middle East Negotiations

Following are remarks by Joseph J. Sisco, Assistant Secretary for Near Eastern and South Asian Affairs, made on January 25 before representatives of the American Society of Association Executives at a White House conference on energy.

Mr. Sisco: I am just going to try to give you two or three minutes on the recent trip which, as all of you know, resulted in a disengagement-of-forces agreement between Egypt and Israel and open it up for questions and give you the maximum time to develop areas of interest.

Let me say first of all that I do feel that this disengagement-of-forces agreement between Egypt and Israel could mark a turning point in the Middle East. We were able to achieve this result because, I think, we find in the Middle East today a different perception of the situation than that which existed before the October war of last year. By that I mean that each side, it seems, has had enough of war and there is a realization that neither side can achieve a decisive victory in a military sense and therefore there is no better alternative to negotiations.

The Geneva Conference that was convened in December was a major achievement; for the first time the parties sat across the conference table, meeting in the presence of the two major powers and the United Nations. The fact that Egypt, Israel, and Jordan were willing to take that unprecedented step reflects the view that any next war is very likely to be an attritional war between the two sides, a war that is likely to be very costly to each side, and therefore each side for his own reasons has decided to try the path of negotiations.

Now, in achieving a disengagement of forces between Egypt and Israel it is important to underscore that it is only a first step toward the overall settlement. In addition, we believe it reduces the likelihood of war.

Hopefully, the agreement also will help set the climate for further negotiations between Egypt and Israel. We hope, too, that from the disengagement-of-forces agreement between Egypt and Israel it will be possible in time to achieve a similar agreement between Syria and Israel.

The U.S. role, and it has been a very active one, has been to help achieve a cease-fire and a consolidation of that cease-fire.

The interesting thing about our role is that the United States has become acceptable to both sides as an intermediary. This is of major significance. It places a special responsibility on the United States, and I think it offers us a great opportunity to try to help achieve the kind of results which could lead to a durable and just peace. We are under no illusions that 25 years of suspicion and mistrust can be dispelled very easily. The principal way to succeed, it seems to me, is on the basis of a step-by-step approach, one piece of the problem at a time, until a meaningful and real peace is achieved.

Without sounding pollyannaish, I believe the changed circumstances in the area, the relative equilibrium in the area between the principal combatants, the realization that a military victory of a decisive character cannot be achieved by one side or the other, the realization that both sides would like to begin to put more of their resources to peaceful pursuits rather than the very heavy budgets involved in maintaining the kind of war establishment that each side has had to maintain—I believe these realistic appreciations, appreciations that we have not too

often heretofore seen in the area, are hopeful signs. The attitude of both sides has been constructive. In these circumstances, active American diplomacy can be helpful to the parties.

I will stop right there and take your questions.

Q. Mr. Sisco, when do you see the Suez Canal reopening, and what effect will that have on the energy situation?

Mr. Sisco: First, let me say that there are no specific undertakings as it relates to the opening of the Suez Canal in the agreement itself. However, we do expect that one of the results of this disengagement agreement will be the beginning of work on the opening of the canal at a reasonably early date.

We also feel that the disengagement agreement itself should lead within a reasonable time frame to the lifting of the embargo and production restrictions. This is our hope, if not our expectation, and I think we will have to wait and see.

The decision on the embargo was a collective decision between certain of the producers. I am sure that consultations on this matter will ensue. My hope is that there will be easing at an early date.

Q. Mr. Sisco, is the United States in any sense a guarantor of this agreement so that it might have to intervene in case one side or the other does not keep it?

Mr. Sisco: We are not a guarantor of this agreement in the sense that we have undertaken any specific legal obligations to intervene. We have in certain instances had to interpret one side to the other. We have had to convey, for example, assurances from one side to the other. If something goes wrong with the agreement, we are going to hear about it. In my judgment, we are involved because of our overall political, economic, and strategic interests in the area. We are involved in the sense that I have described by way of having been the principal intermediary in bringing about the agreement. I have no doubt that if there should be any difficulties that arise about interpretations or whether one side or another is carrying out the agreement, the United States would have to become active diplomatically.

Q. On the Suez Canal problem I understand after we get a political decision it will take three to five years to clean it up.

Mr. Sisco: The estimate we have been given on the cleaning up and preparing the Suez Canal for operation is somewhere between six and eight months.

Q. Mr. Sisco, the United States responded forcefully to the Russian threat to introduce troops into the Middle East and subsequent to that played a major role in the negotiations. Where do these events now leave the Soviet Union in the Middle East?

Mr. Sisco: The Soviet Union has a continuing interest in the area, and it will continue to manifest that interest. We and the Soviet Union are cochairmen of the Geneva Conference. It played a constructive role at Geneva. Throughout this whole exercise of the last month we kept them informed; we remained in touch with the Soviet Union. It was the desire of both parties that we play the intermediary role. The Soviet Union, of course, does not have diplomatic relations with Israel, nor effective contact with it. We have good contacts with both sides.

Q. Secretary [of the Treasury George P.] Shultz talked last week to the Foreign Ministers in Rome and urged them, urged the Arab countries to take a new look at their price hikes and so forth, he felt the price was too high. Do you think there is any chance that they will take that kind of urging seriously?

Mr. Sisco: I really ought not to speculate on that, simply because neither Secretary Kissinger nor I raised that particular question in any direct sense. We had our hands full with what we were negotiating. Therefore I think Secretary Shultz is in a much better position to make a judgment on that than I am.

Q. As you move from the very encourag-

ing steps of disengagement to Geneva have you any idea at what point there might be some real joint control over terrorist groups that seem to have a potential to upset the agreement?

Mr. Sisco: First, with respect to the terrorists let me say that such acts are acts of desperation. I believe that to the degree to which the more militant guerrilla elements have had to resort to these individual grandstand acts of terrorism, this is in a sense a reflection of the failure of the guerrilla movement as an effective military force in the area. Whatever the Arabs achieved militarily on the ground against the Israelis in the October war was achieved by the Arab states themselves, not the guerrillas. The established Arab states carried the brunt, and the guerrillas were not actively involved militarily.

Now to broaden the question—are we ever going to achieve a political solution and something which is durable and meaningful unless we resolve the so-called Palestinian issue? There is no doubt in my mind that unless an overall settlement meets the legitimate interests of the Palestinians, we are not going to get a durable settlement. If you look at the history of the Middle East over the last 25 years, you must assume that there will always be a small group that will remain unreconstructed insofar as the settlement is concerned. There will always be a small group that will oppose it by any and all means.

But I happen to believe that the majority of the people both on the Israeli side and on the Arab side, Palestinian and non-Palestinian, are fed up with war and they are ready for a settlement which meets fairly and impartially the concerns of both sides. If we are able to achieve this—and it is a big "if," of course—if we are able to achieve this, I believe that not only most of the Arab states will be in support of such an agreement but also most of the Palestinians.

What the eventual settlement will be as far as Palestinians specifically are concerned is very hard to say; the Palestinians are divided. When one talks about Palestinian representation, you have to ask who speaks for the Palestinians. Certainly King Hussein's answer to that is different from that of [Yasir] Arafat. So it is an issue which at the moment does not arise in a very concrete sense, but as we get closer to the basic elements of peace, as we make more progress toward peace, I believe there may well be continuing individual acts of violence by terrorists since a peace settlement is not viewed with sympathy by this small group of extremists.

Q. Mr. Sisco, what is your diagnosis on the Western relations in the wake of the petroleum price increase?

Mr. Sisco: You mean with our Western allies?

Q. Yes.

Mr. Sisco: Our approach has been and will be one of trying to find ways to cooperate with our allies. This is not going to be a very easy task, as is evident from what we have seen in the last few weeks. We have the energy action conference coming up, which I am sure a number of others have spoken about here today, opening on the 11th of February. On the other hand, one sees members of the European Community itself very busily engaged in trying to make certain arrangements of their own. One would hope that we can find common ground in order to attack the longer range problem in a cooperative way.

The Arab-Israeli dispute is not the cause of the energy problem. The resolution of the Arab-Israeli problem is not going to eliminate our energy problem or the energy problem for Europe and the principal consumers around the world. The Arab-Israeli dispute has been a complicating factor. Whether we will be able to develop the kind of cooperative relationships which I think will be in our mutual interest, only time will tell. I hope so, because I think the alternative is an unleashing of the kind of competition which in the long run could be injurious to all, even though our situation is more manageable than that of the Europeans since

they are much more reliant on Middle Eastern oil than we are. If one looks at the long-range situation, we do have the overall capacity to become self-sufficient in time. It is essential that we develop the capacity to become self-sufficient so that no undue influence in the long run can be exercised on us.

Q. Mr. Siseo, to what extent do you think some of the other materials that are controlled by small groups of countries are likely to be used as pawns for exerting other influence on us, and also increase the price?

Mr. Siseo: I am not really the man to respond to that in any technical sense. The studies that I have looked at tend to cast some doubts as to how useful that particular approach is, but I am not sufficiently knowledgeable from a technical point of view to express any conclusive judgment.

Interest Equalization Tax Rate Reduced to Zero

Treasury Department Announcement [1]

The Treasury Department announces that the effective rate of interest equalization tax (IET) has been reduced to zero, in accordance with an Executive order signed by the President.[2] The new zero rate will be applicable to trades and acquisitions of any foreign stock or debt obligations made after January 29.

Under the interest equalization tax legislation, the President has the authority to reduce the rate of the IET to zero when that action is consistent with the balance of payments objectives of the United States. The IET has been applied since July 1963 in order to help restrain the outflow of capital from the United States into portfolio investments in other developed countries. The rate of tax has been changed from time to time. The last such change became effective January 1, 1974, when the rate was reduced from 11.25 percent to 3.75 percent with respect to foreign stocks and from a rate equivalent to a charge of approximately 0.75 percent per annum to a rate of approximately 0.25 percent per annum on foreign debt obligations.

The Internal Revenue Service will provide guidelines on the effect of this order on reporting and compliance procedures in forthcoming information releases.

[1] Issued on Jan. 29 (Department of the Treasury press release). On the same day the Department of Commerce announced the termination of foreign direct investment controls, and the Board of Governors of the Federal Reserve System announced the termination of the voluntary foreign credit restraint guidelines.

[2] No. 11736; for text, see 39 *Fed. Reg.* 3807.

President Suspends Import Quotas for Wheat and Milled Wheat Products

A PROCLAMATION [1]

AMENDING PART 3 OF THE APPENDIX TO THE TARIFF SCHEDULES OF THE UNITED STATES WITH RESPECT TO THE IMPORTATION OF AGRICULTURAL COMMODITIES

WHEREAS, pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), limitations have been imposed by Presidential proclamations on the quantities of wheat and milled wheat products which may be imported into the United States in any quota year; and

WHEREAS the import restrictions proclaimed pursuant to said section 22 are set forth in part 3 of the Appendix to the Tariff Schedules of the United States; and

WHEREAS, at my request, the United States Tariff Commission has made an investigation under the authority of subsection (b) of section 22 of the Agricultural Adjustment Act to determine whether the import quotas on wheat and milled wheat products provided for in item 950.60 of part 3 of the Appendix to the Tariff Schedules of the United States (TSUS) may be suspended without rendering or tending to render ineffective, or materially interfering with, the loan and payment programs now conducted by the Department of Agriculture for wheat or reducing substantially the amount of products processed in the United States from domestic wheat; and

WHEREAS the United States Tariff Commission has submitted to me a report with respect to this matter; and

WHEREAS, on the basis of such investigation and

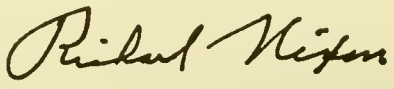
[1] No. 4260; 39 *Fed. Reg.* 3533.

report, I find and declare that the entry of additional quantities of wheat and milled wheat products resulting from the suspension during the period ending June 30, 1974, of the quantitative limitations provided for in item 950.60 of the TSUS will not render or tend to render ineffective, or materially interfere with, the loan and payment programs now being conducted by the Department of Agriculture for wheat and will not reduce substantially the amount of products processed in the United States from domestic wheat, that the circumstances which required the imposition of such quantitative limitations on wheat and milled wheat products no longer exist, and that such quantitative limitations should be suspended during the period ending June 30, 1974;

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under and by virtue of the authority vested in me as President, and in conformity with the provisions of section 22 of the Agricultural Adjustment Act, as amended, and the Tariff Classification Act of 1962, do hereby proclaim that headnote 3(a) of part 3 of the Appendix to the Tariff Schedules of the United States is amended by adding a new subdivision as follows:

(ix) Notwithstanding any other provision of this part the quantitative limitations for the articles provided for in item 950.60 shall be suspended during the period beginning January 26, 1974, and ending June 30, 1974. Quantities of such articles entered during the period of May 29, 1974, through June 30, 1974, shall not be deducted from the quantities which may be entered during the twelve month period beginning May 29, 1974, under the quantitative limitations provided for in item 950.60.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of January, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.



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Current Actions

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Labor

Instrument for the amendment of the constitution of the International Labor Organization. Done at Montreal October 9, 1946. Entered into force April 20, 1948. TIAS 1868.

Admission to membership: German Democratic Republic, January 1, 1974.

Whaling

Amendments to paragraphs 4(1)(a), (b); 6(1)–(5); 7(a); 8(a), (e)–(h); 9(a), (b); 10(b), (c); 15; 17 (c)(1), (2) of the schedule to the international whaling convention of December 2, 1946 (TIAS 1849). Adopted at London June 29, 1973. Entered into force October 4, 1973, with the exceptions of paragraphs 8(a) and 8(h), which entered into force January 2, 1974, except for Japan and the Union of Soviet Socialist Republics.

BILATERAL

Brazil

Agreement extending the agreement of May 9, 1972, concerning shrimp (TIAS 7603). Effected by exchange of notes at Brasilia December 31, 1973. Entered into force December 31, 1973.

Switzerland

Amendment to the agreement of December 30, 1965 (TIAS 6059), for cooperation concerning civil uses of atomic energy. Signed at Washington November 2, 1973. Entered into force January 29, 1974.

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*34	1/28	Study group 1 of the U.S. National Committee for the CCITT, Feb. 14.
*35	1/28	Study group 7 of the U.S. National Committee for the CCIR, Feb. 26.
*36	1/29	Springsteen designated Special Assistant to the Secretary and Executive Secretary of the Department (biographic data).
*37	2/1	U.S. delegation to Intelsat Assembly of Parties, Feb. 4–8.

* Not printed.

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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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February 25, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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U.S. and Panama Agree on Principles for Negotiation of New Panama Canal Treaty

On February 7 at Panamá, Secretary Kissinger and Juan Antonio Tack, Minister of Foreign Affairs of Panama, initialed a joint statement of principles for negotiation of a new Panama Canal treaty. Following is an address made by Secretary Kissinger at the ceremony, together with the text of the joint statement.

ADDRESS BY SECRETARY KISSINGER

Press release 42 dated February 7

We meet here today to embark upon a new adventure together. Our purpose is to begin replacing an old treaty and to move toward a new relationship. What we sign today, hopefully, marks as well the advent of a new era in the history of our hemisphere and thus makes a major contribution to the structure of world peace.

Meeting as we do on this isthmus which links North with South and Atlantic with Pacific, we cannot but be conscious of history —a history which has profoundly changed the course of human affairs. Four centuries ago the conquistadors landed here bringing faith and taking booty. They were representatives of the traditional style and use of power. Seventy years ago, when the Panama Canal was begun, strength and influence remained the foundations of world order.

Today we live in a profoundly transformed environment. Among the many revolutions of our time none is more significant than the change in the nature of world order. Power has grown so monstrous that it defies calculation; the quest for justice has become universal. A stable world cannot be imposed by force; it must derive from consensus. Mankind can achieve community only on the basis of shared aspirations.

This is why the meeting today between representatives of the most powerful nation of the Western Hemisphere and one of the smallest holds great significance. In the past our negotiation would have been determined by relative strength. Today we have come together in an act of conciliation. We recognize that no agreement can endure unless the parties to it want to maintain it. Participation in partnership is far preferable to reluctant acquiescence.

What we do here today contains a message, as well, for our colleagues in the Western Hemisphere who, in their recent meeting in Bogotá, gave impetus to this negotiation. The method of solution and the spirit of partnership between Panama and the United States as embodied in this agreement are an example of what we mean by the spirit of community in the Western Hemisphere; it can be the first step toward a new era which we believe will be given fresh hope and purpose when we meet again with the Foreign Ministers of all the hemisphere in two weeks' time.

The United States and Panama

The relationship between Panama and the United States is rooted in extraordinary human accomplishment—the Panama Canal, a monument to man's energy and creative genius. But as is so often the case, man's technological triumph outstripped his political imagination:

—For 60 years the safe, efficient, and equitable operation of the canal has given to

Panama, to the United States, and to all nations benefits beyond calculation.

—Yet the canal still operates under the terms of a treaty signed in 1903, when the realities of international affairs were still shaped by traditional precepts of power.

—The tensions generated by these contradictions, the endless debates over the costs and benefits of the convention of 1903, have jeopardized the ability of our two countries not only to work together to meet future demands upon the canal but also to develop a constructive relationship as friends.

We must assess the document we have just signed against this background. Above all, we must judge it in the context of what it means for the peoples of the United States and Panama and what it can mean for the people of the Western Hemisphere.

The eight principles in this agreement constitute, as General Torrijos [Brig. Gen. Omar Torrijos, Head of Government of Panama] has said, a "philosophy of understanding." Sacrificing neither interest nor self-respect, Panama and the United States have made a choice for partnership. Meeting in dignity and negotiating with fairness, we have acknowledged that cooperation is imposed on us by our mutual need and by our mutual recognition of the necessity for a cooperative world order. Foreign Minister Tack and Ambassador Bunker [Ambassador at Large Ellsworth Bunker, U.S. chief negotiator for the Panama Canal treaty] have shown that Panama's sovereignty and the vital interests of the United States in the Panama Canal can be made compatible. They have engaged in an act of statesmanship impelled by the conviction that we are part of a larger community in the Americas and in the world.

In that spirit of partnership the United States and Panama have met as equals and have determined that a just solution must recognize:

—First, that Panama and the United States have a mutual stake in the isthmus: Panama in its greatest natural resource, and the United States in the use and defense of the canal.

—Second, that the arrangement which may have been suitable 70 years ago to both the United States and Panama must be adjusted to meet the realities of the contemporary world.

—Third, that a new treaty is required which will strengthen the relationship between us while protecting what is essential to each. A new agreement must restore Panama's territorial sovereignty while preserving the interests of the United States and its participation in what is for us an indispensable international waterway.

While we have taken a great stride forward, we must still travel a difficult distance to our goal. There is opposition in both our countries to a reasonable resolution of our differences. Old slogans are often more comforting than changes that reflect new realities. It is the essence of revolutions that to their contemporaries they appear as irritating interruptions in the course of a comfortable normalcy. But it is equally true that those who fail to understand new currents are inevitably engulfed by them.

We are determined to shape our own destiny. Our negotiators will require wisdom, purposefulness, tenacity. They will meet obstacles and disagreements. Yet they will succeed—for our relations and our commitments to a new community among us and in this hemisphere demand it.

In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible.

The Western Hemisphere Community

We are here today not just as two sovereign nations, but as representatives of our hemisphere. We meet at the place where Simón Bolívar enunciated the concept of an inter-American system. We meet at a point of time between meetings of Foreign Ministers in Bogotá and Mexico City which can mark a historic turning point in making Bolívar's vision come true.

I know that many of my country's southern neighbors believe they have been the subject of too many surveys and too few policies.

The United States is accused of being better at finding slogans for its Latin American policy than at finding answers to the problems that face us all.

Some of these criticisms are justified. At times rhetoric has exceeded performance. But the United States has been torn by many problems; only from afar does it appear as if all choices are equally open to us. We have not been willfully neglectful. And in any case, we have recognized that the time for a new approach is overdue.

I have come here today to tell you on behalf of our President that we are fully committed to a major effort to build a vital Western Hemisphere community. We understand our own needs:

—To live in a hemisphere lifted by progress, not torn by hatreds;

—To insure that the millions of people south of us will lead lives of fulfillment not embittered by frustration and despair; and

—Above all, to recognize that in the great dialogue between the developed and the less developed nations, we cannot find answers anywhere if we do not find them here in the Western Hemisphere.

It is in this spirit that I shall meet my colleagues in Mexico City later this month to deal with the issues posed by them in their Bogotá meeting. We attach particular significance to the fact that the meeting in Mexico City—its substance and its impetus—is the product of Latin American initiative. It is a response to the necessities of the times such as the United States had hoped to achieve with partners elsewhere in the world.

The United States will not come to Mexico City with a program that presumes to have all the answers. Nor will we pretend that our lost opportunities can be remedied by yet another freshly packaged program labeled "Made in the U.S.A." But we shall come with an open mind and, perhaps more importantly, with an open heart. We are at a moment of truth, and we shall speak the truth.

We know that our neighbors are worried about the blackmail of the strong. We want them to know that we are sympathetic to this concern. At the same time, blackmail is no more acceptable from any other source. We need each other. So let us all seek solutions free of pressure and confrontation, based on reciprocity and mutual respect. In Mexico City we can but lay the foundations for the future. But building upon what we achieve in Mexico City we can, over the months and years ahead, erect an edifice of true partnership, real trust, and fruitful collaboration.

Thus we approach the meeting in Mexico with but one prejudice: a profound belief that the Americas, too, have arrived at a moment of basic choice, a time of decision between fulfillment together and frustration apart. Our choice will be found in the answers we give to these critical questions:

—Can we make our diversity a source of strength, drawing on the richness of our material and moral heritage?

—In short, can the countries of Latin America, the Caribbean, and the United States, each conscious of its own identity, fashion a common vision of the world and of this hemisphere—not just as they are, but as they are becoming and as we feel they should be—so that we can move together toward the achievement of common goals?

We will conduct the broader dialogue we have all set for ourselves in Mexico City with the same commitment to reciprocity, the same consideration of each other's interests, that marked the negotiations between the United States and Panama.

For centuries men everywhere have seen this hemisphere as offering mankind the chance to break with their eternal tragedies and to achieve their eternal hopes. That was what was new about the New World. It was the drama of men choosing their own destinies.

An American poet has written:

> We shall not cease from exploration
> And the end of all our exploring
> Will be to arrive where we started
> And know the place for the first time.

Panama and the United States have now begun this exploration. Our sister republics can make the same choice. Our creativity, our energy, and our sense of community will be on trial. But if we are equal to the oppor-

tunity, we will indeed arrive where we started—a hemisphere which again inspires the world with hope by its example. Then we shall indeed know the place for the first time, because for the first time we shall truly have fulfilled its promise.

TEXT OF JOINT STATEMENT

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation.[1] The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally

[1] For text of the joint declaration, see BULLETIN of Apr. 27, 1964, p. 656.

on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Soviet Foreign Minister Gromyko Visits Washington

Following is the text of a communique issued on February 5 at the conclusion of a visit to Washington by Andrei A. Gromyko, Minister of Foreign Affairs of the U.S.S.R.

White House press release dated February 5

At the invitation of the United States Government, Andrei A. Gromyko, member of the Politburo of the CPSU [Communist Party of the Soviet Union] Central Committee and Minister of Foreign Affairs of the USSR, visited Washington, D.C., from February 3 to February 5, 1974. During his visit he held talks with President Nixon and Secretary of State Henry Kissinger.

Also taking part in the talks were:

On the American side:

Under Secretary-designate for Political Affairs Joseph Sisco; Counselor of the Department of State Helmut Sonnenfeldt; Assistant Secretary for European Affairs Arthur Hartman; Ambassador-designate to the USSR Walter Stoessel.

On the Soviet side:

Ambassador to the United States, A. F. Dobrynin; Member of the Collegium of the Foreign Ministry of the USSR G. M. Korniyenko; Assistant to the Foreign Minister of the USSR V. G. Makarov; and Y. M. Vorontsov, Minister-Counsellor of the Soviet Embassy.

In accordance with the understandings reached in May 1972 and June 1973 that the practice of consultations between the two countries should continue, an exchange of views took place on a number of subjects of mutual interest.

Both sides reaffirmed their determination to continue developing their relations along the lines established during President Nixon's visit to the Soviet Union in 1972 and General Secretary Brezhnev's visit to the United States in 1973 and reflected in the agreements concluded on those occasions.

In reviewing their bilateral relations, the two Sides discussed questions relating to the further limitation of strategic arms and prospects for the development of trade and economic relations between the two countries, as well as other pertinent matters. They expressed their agreement on the desirability of achieving progress in these and other areas.

The two Sides also held discussions on a number of current international topics.

Special attention was devoted to the Middle East. Both Sides attached particular importance to their special role at the Geneva conference, the need for a peaceful Middle East settlement and for progress toward that end within the framework of the Geneva Peace Conference.

In exchanging views on the Conference on Security and Cooperation in Europe, both Sides agreed that the Conference should reach a successful conclusion as soon as possible. The question of mutual force reduction in Central Europe was touched on.

The exchange of views was conducted in a businesslike and constructive manner and was considered useful by both Sides.

It was agreed that Secretary Kissinger will visit Moscow in the second half of March 1974 in connection with preparations for the visit to the Soviet Union of President Nixon, which will take place this year in accordance with the agreement reached in June 1973.

America and Asia: The Old and the New

Address by Deputy Secretary Kenneth Rush [1]

In coming to Cleveland this evening, I have kept in mind the fact that there has been in the last few months much discussion about our relations in Europe and about the energy crisis and that we have just witnessed a major diplomatic feat accomplished by Secretary Kissinger in the Middle East. You are all very much aware of these recent developments. I decided, therefore, to raise an issue which has not been discussed as frequently in the last year or so as it had been during the past decade.

I will be departing next month on a major tour of Asian nations; and I would like to speak to you tonight about Asia and America, about the old and the new in our relationship, about our views of one another and of ourselves.

An Englishman once wrote condescendingly of Americans: Youth is their oldest tradition—it has been going on now for 200 years. We are a young nation—young in spirit, in ideas, and in our aspirations. But we are also in a sense one of the world's oldest nations, for we built some time ago many of the institutions which the vast majority of mankind is still striving to construct; we are the world's oldest constitutional democracy and the most developed industrial society. Thus our political and economic systems are simultaneously among the longest lived and the most likely to live long.

If America is a young nation with old institutions, Asia is composed of old nations with young institutions. For while Americans are gaining a new appreciation for Asia's ageless cultural and intellectual values, most of Asia's political structures have emerged since the Second World War and many Asians are only now entering the Industrial Revolution. Rapid and unsettling change is natural as Asians seek political strength, economic progress, and national security.

The perceptions that emerge from this complex blend of the old and the new guide the restructuring of America's policies toward Asia.

First, we must expect and accept change in Asia.

But second, as a mature nation the United States can and must provide an essential element of stability in this area of turbulent change.

And third, as President Nixon stated in his 1971 foreign policy report, the United States "must strike a balance between doing too much and thus preventing self-reliance, and doing too little and thus undermining self-confidence."

The flood of events in recent years may have overwhelmed us, obscuring the profound transformation which these policies have helped achieve. Consider our situation just a few short years ago:

—Two decades of hostility and estrangement from Asia's largest and the world's most populous nation, the People's Republic of China, had yet to end;

—American forces were still fully engaged in this nation's longest and most frustrating war, Viet-Nam; and

[1] Made before the Cleveland Council on Foreign Relations on Jan. 21 (press release 25).

—Relations with our closest Asian ally, Japan, were severely strained by an inevitable but painful adjustment of our relationship; for example, the necessity to correct an unprecedented $4 billion trade deficit.

But two years ago next month President Nixon visited Peking; a year ago this month we signed the Paris accords ending American combat involvement in Viet-Nam; and in recent months we have made steady progress toward a more equal and balanced relationship with Japan.

Thus as I depart next month to visit several Asian nations, I do so confident that we have removed some major impediments to construction of a new American relationship with Asia. We have freed ourselves from preoccupation with containing the threats of the past. Now we can concentrate on realizing the opportunities of the future.

Some Americans still view Asia as an area of less vital concern to the United States than Europe. But the fact that Asia has been less frequently on the front pages of our newspapers in recent months can be ascribed more to the wisdom of that phrase "no news is good news" than to the intrinsic importance of Asia to our interests.

Let me briefly mention a few obvious but sometimes forgotten factors:

—Half the world's people live in Asia, and that proportion is increasing;

—Our trade with Asia now equals 85 percent of our trade with Western Europe and is growing more rapidly;

—Twice in a single generation we have been drawn into war in Asia, while Europe has remained relatively more stable; every American war since World War I has started in Asia; and

—Four of the world's major powers—the United States, Japan, China, and the Soviet Union—come together only in the Pacific.

Thus our policies toward Asia are central to our policies toward the entire world.

In his address to the U.N. General Assembly last September, Secretary Kissinger suggested that the world has come to what may be described as an open moment in history, a time when nations will be making fundamental choices, choices which will profoundly affect the future shape of the international environment.

All over the world, familiar landmarks—political, economic, social, psychological—are disappearing, changing, being challenged, and being forged into new shapes. We are at one of those rare moments in human history when a concerted effort can determine the framework of international relations for decades to come. But should the United States and like-minded nations fail to generate the momentum to propel international events in the direction they prefer, it is certain that others will make them move in the direction they want—or events will just drift aimlessly and chaotically.

In this formative period our policies in Asia have two basic and mutually reinforcing purposes:

—First, to build a network of mutual understanding and mutual restraint among the major powers in Asia: Japan, China, the Soviet Union, and the United States; and

—Second, with the smaller nations in Asia, to pursue the Nixon doctrine's goal of shared responsibilities and shared burdens for development and defense.

We must pursue both these purposes if we are to hope for success in either one. Only by continuing to demonstrate our determination to assist smaller nations can we convince major powers that they must work with us to reduce tensions. Conversely, only by pursuing increased cooperation among the major powers can we reduce the tensions which have stimulated confrontation and conflict among the smaller nations.

New Relationship Among Major Powers

Let me deal with each of these two policies in turn.

The world has been brought to this formative moment in part because, for the first time in approximately 25 years, international politics are no longer dominated by rigid,

sterile confrontation between the Communist and non-Communist powers. The changed climate of relations between the United States and the Soviet Union and between the United States and the People's Republic of China have contributed importantly to this hopeful evolution.

U.S. policy with both of our adversaries aims to build with each a fabric of mutually beneficial relationships, relationships which provide the substance of what President Nixon has called a structure of peace.

With the Soviet Union we are engaged in a web of concrete negotiations; with China we are opening a new relationship. With the Soviet Union we are endeavoring to insure peace and stability through agreement to exercise mutual restraint in international relations and through reaching specific agreements on normalizing trade and other forms of cooperation in bilateral relations. With China we are seeking to bridge two decades of isolation and hostility, an atmosphere in which misunderstanding was assured and miscalculation was a constant danger.

We cannot take for granted the present reduction of international tensions. Both Moscow and Peking continue to view their relationships with us and our allies as fundamentally competitive—politically, strategically, economically, and ideologically. It is not necessary to read the minds of men in the Soviet Union and in the People's Republic of China to realize this. But the agreements we are seeking with both countries are designed to promote the interests of the United States and of its allies, regardless of what may be the motivations of our opponents in reaching those agreements. Ultimately, of course, we believe that all parties benefit from these agreements; for a sound peace can only rest on mutually beneficial arrangements.

Our ability to build elements of cooperation into our relationship with the two Communist powers has been possible only because the leaders in the two capitals have been receptive. Looking ahead, while we cannot say with certainty that Soviet and Chinese policies will continue along present lines, we can encourage that outcome by institutionalizing our relationship as much as possible through the concrete and mutually beneficial arrangements which I have discussed.

Japan is our major partner in this endeavor. We view Japan not only as an essential factor in Asia but as one of the principal factors in the global situation. We have consistently stressed the need for Japan to participate fully in the relationship we are creating with Western Europe. Japan's global economic power and its emerging political power make highly important its participation in the formulation of new basic objectives by the advanced industrialized democracies.

A major aspect of the new relationship we and Japan are building with China and the Soviet Union is agreement to oppose attempts by anyone to impose hegemony in the Asia-Pacific region. In fact, agreement among the major powers to exercise restraint has led to a marked slowing down of the action-reaction cycle so prevalent in recent years. A more considered approach results from the need to take into account the interests of more countries.

Shared Responsibilities and Shared Burdens

Smaller nations benefit equally from this positive momentum. In fact probably the two most important results of this administration's policies in Asia have been:

—First, that there has been a substantial relaxation of tensions throughout Asia and a reduction of the threat of conflict and confrontation; and

—Second, that our allies and friends are achieving the essence of the Nixon doctrine by shouldering a greater part of the burden for their own security and economic development.

These two basic changes in the Asian scene have made it possible and appropriate for the United States to adjust its role toward a less direct involvement in the affairs of Asia. Since President Nixon took office in 1969,

U.S. forces in Asia have been reduced to about one-fourth of their previous size, leaving about 200,000 U.S. troops in the area, and U.S. military assistance to Asia has been cut by about 40 percent to approximately $1.4 billion.

We are particularly pleased by growing regional cooperation in Southeast Asia and by the efforts of the Association of South-East Asian Nations to involve Indochina in this process. And we support the growing role of Australia and New Zealand in Asia's future, a role I will be discussing with their Foreign Ministers at our regular ANZUS meeting next month.

Of all areas in the world, Indochina has been one of the last to benefit from the healing winds of détente:

—In Laos the cease-fire has held extremely well, and there is progress toward a single government.

—In Cambodia fighting unfortunately continues, but the Cambodian Government has reiterated its proposal that all parties join in reaching a political settlement. There is hope that if the Khmer Rouge realize they cannot obtain a military solution they will agree to engage in negotiations.

—And in Viet-Nam the level of hostilities was substantially lower in 1973 than in earlier years. This was an encouraging decline. South Viet-Nam has demonstrated increasing ability to defend itself. But we remain concerned about failure to implement the peace agreement. While the possibility of a North Vietnamese offensive in 1974 cannot be ruled out, we hope that last year's decline will continue this year. We also continue to hope that North Viet-Nam will concentrate on peaceful reconstruction of its shattered economy and society instead of vainly pursuing war in the South. The United States remains ready to contribute to this effort when North Viet-Nam fulfills its obligations under the Paris accords, including its obligation to make a full accounting of our missing in action.

In realigning our role in Asia the United States must not fall prey to the dangerous temptation of total withdrawal. The essence of the Nixon doctrine is shared burdens and shared responsibilities, not unilateral abrogation of responsibility by the United States. Given the continuing critical importance of the balancing role we now play in Asia, American withdrawal would only lead to a reappearance of severe instability. Thus we should not contemplate further substantial reductions in U.S. forces in Asia until the continuing tensions in the area have substantially diminished. Equally important, we must continue to extend adequate security and economic assistance. Only by making this effort can we assure that the nations of Asia will achieve the secure peace that their sacrifices, and ours, were designed to create.

Shortages Threatening World Economy

As the saying goes, we often find that "the best of times is the worst of times." Just as we are making major progress in the area of our greatest concern over the past quarter century by reducing the threat to man's physical security, energy and other resource shortages have arisen to threaten the world's economic security.

In another era the United States could have remained relatively unconcerned about this development. But this is no longer the case, as you in Cleveland know with one of the nation's major ports, as all in Ohio know with the nation's fourth largest exports of industrial goods, and as all in America know with the current problems facing us both as consumers and producers. America's ability to grow is tied to our imports, and our ability to pay for these imports is tied to our exports. It is increasingly clear that to control our inflation, to save our environment, to preserve our very way of life, we must seek new forms of international cooperation.

The United States would survive better than most in a world torn asunder by unrestrained competition caused by man's demands upon this small planet's finite resources. But the developed and developing nations of Asia have a much smaller margin of survival. Many Asian nations have bene-

fited from the world's fastest economic growth rates to maintain domestic political stability. Should, for example, sharply reduced energy supplies and sharply rising energy prices bring their economic growth to a standstill, this could cause unpredictable political and social instability.

Thus it is in the interest of both Asia and America to insure that we achieve an unprecedented level of international cooperation to meet an unprecedented international challenge. Nations are only just beginning to understand the magnitude of this challenge. It is not just a problem of oil supplies but of prices, not just a matter of energy but of all natural resources, not just a question of economics but of politics and security, not just an issue for 1974 but for the rest of this century.

The oceans present another excellent example of the uncharted but pressing challenge of our growing interdependence. The United Nations, through its third Conference on the Law of the Sea, is this year writing what will in essence be a constitution for an area covering two-thirds of the earth's surface. Whether it is the protein, the minerals, or the oil which the oceans contain or their increasing importance for international transportation and national security, this conference will confront problems of unprecedented complexity and challenge.

Nations are only beginning to understand the magnitude of the problem presented by growing interdependence. No one nation can provide the answers. We must all work together. Our initial objective is to develop a framework to provide incentives for cooperation and discourage attempts to satisfy one's own demands at the expense of others.

Three-Point Program on Energy

To address the specific problem of energy, President Nixon and Secretary Kissinger have developed a three-point program:

—First, to expand sources of supplies within the United States and dampen demand and thus to reduce the pressure on the international petroleum market and decrease our dependence on foreign sources of supply;

—Second, to invite Foreign Ministers of the major consuming nations to meet in Washington early next month to develop cooperative action among industrial consuming nations looking toward a dialogue with the petroleum-exporting countries; and

—Third, to propose the establishment of an international Energy Action Group that would bring consumer and supplier nations together to develop new international cooperation benefiting consumer and producer alike. The stake of the oil producers in an expanding global economy is growing. Together with consumer nations, they have a vital interest in maintaining the monetary and trading system which promises them so much.

We want Japan to be one of our principal partners in this endeavor, for we are keenly aware of her nearly total dependence on foreign oil. The Japanese have told us that to continue to play an active economic role in the world they recognize the need to play a political role as well. We welcome this approach, for we believe that we share broad common concerns and interests.

Energy price rises are causing hardships on the developing nations of Asia. These hardships threaten to destroy the accomplishments of decades. The interests of these nations must be fully represented and protected. We would hope that the consumer nations in the developing world could concert to encourage a more reasonable approach on the part of producer nations—who are themselves still developing or are recently developed. Development prospects over the next decade may well depend on progress in lowering prices and transferring capital resources from the oil producers to the less well-endowed nations.

Let me conclude.

Americans have understandably grown tired of the burdens of world leadership. And as I have attempted to outline, this administration has sought to lighten this burden and to transform its nature.

But the two most recent international

crises—in the Middle East and in energy—have once again demonstrated the role which only the United States can play. Who else could have brought the Arabs and the Israelis to the negotiating table after two decades of conflict, conflict which threatened to engulf the major powers as well? And who else could provide the vision and the will to bring together oil consumers and producers so that together we can halt the otherwise inevitable collapse of the world's economy?

Americans can be proud of these contributions, and we can regain from them the confidence required to pursue an active and imaginative foreign policy not only in Asia but throughout the world.

Letters of Credence

Argentina

The newly appointed Ambassador of the Argentine Republic, Alejandro José Luis Orfila, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Cyprus

The newly appointed Ambassador of the Republic of Cyprus, Nicos G. Dimitriou, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

El Salvador

The newly appointed Ambassador of the Republic of El Salvador, Francisco Bertrand Galindo, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Korea

The newly appointed Ambassador of the Republic of Korea, Dr. Pyong-choon Hahm, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Oman

The newly appointed Ambassador of the Sultanate of Oman, Ahmed Macki, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Pakistan

The newly appointed Ambassador of the Islamic Republic of Pakistan, Sahabzada Yaqub Khan, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Tunisia

The newly appointed Ambassador of the Republic of Tunisia, Ali Hedda, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

Zaïre

The newly appointed Ambassador of the Republic of Zaïre, Mbeka Makosso, presented his credentials to President Nixon on February 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated February 1.

In this article based on an address he made before the International Aviation Club at Washington on January 22, Mr. Waldmann, who is Deputy Assistant Secretary for Transportation and Telecommunications, discusses current problems and policy developments in the field of international aviation.

International Aviation: The Fuel Crisis and Other Problems

by Raymond J. Waldmann

If something seems to be working well, as the international aviation system is, I believe it should be left alone. When changes are necessary, however, we should not hesitate to make them. We do have a number of problems these days which require attention. I won't produce any magic formulas or panaceas for solving them, but will explain some actions and policies to deal with them.

In the last three months many of us in government have learned far more about petroleum than we ever wanted to know. Middle distillate, kerosene, naphtha based, JP–4, bonded fuel—all these terms have found their way into our vocabularies. At the Department, we first learned of the jet fuel shortage in a very direct way around November 1 when our phones began to light up. In the first 10 days of November we set about combating problems arising from forthcoming fuel shortfalls and resultant cutbacks in service. We also found that there was at least some disagreement about our goals.

We at the Department assumed, for example, that we live in an interdependent world. Each nation has to modify its own activities to the extent that they impinge upon other nations. No nation in 1973, we believed, was either so omnipotent or isolated that it could chart its course without regard to the effects on other nations.

Further, we believed that international travel and commerce are important. We believed that it is in the interest of the United States to maintain a system of international aviation services with other countries. We believed that this system has in law and in fact no greater or lesser priority than our domestic system—that our international and domestic economic policies are intertwined. We soon learned that these views were not universally shared.

Shortfalls of Bonded Jet Fuels

Our most immediate problem in mid-November was with bonded jet fuels, fuels produced outside the United States, held in bond at U.S. airports, and used for international flights. Bonded jet fuels were projected to have far greater shortfalls than domestic fuels. And to make a bad situation worse, the projected shortfalls varied widely. Two of the four major suppliers stated that they would be unable to meet commitments while two others, whose supplies came from Africa and Venezuela, said they had few problems. So we faced the real possibility that between two carriers serving the same international market, one carrier would continue its full schedule while the other carrier might be wiped out.

When this situation became widely understood, foreign ministries around the world began dialing the State Department's number and our appointment calendars began to bulge with Ambassadors bearing diplomatic protests. We had many specific requests,

hardship cases, and just plain complaints to handle. Their points were well made. In most foreign countries there was no distinction between domestic and bonded fuels and nondiscriminatory treatment was being accorded U.S. airlines.

Nations requested similar treatment from the United States. Any fine lines we drew between bonded and domestic fuels were viewed as thinly veiled attempts to discriminate against foreign carriers. It was clear to us that any inequitable treatment of foreign airlines would quickly lead, through retaliation, to some severing of international aviation connections with the rest of the world. Quite simply put, if we did not provide foreign-flag carriers fuel in the United States they would cut off our carriers in their countries.

We first favored the allocation or sharing of bonded fuels for international operations. Because of legal and other difficulties with this solution we then turned to other methods of assuring carriers fuel. The shortfalls in bonded fuel will be made up through the use of domestic fuel, and bonded fuel itself will not be allocated. Shortfalls expected in bonded fuel can be made up by relatively small diversions from domestic fuel stocks.

We now have a situation we can live with; we have finally given birth to a nondiscriminatory jet fuel program. This will aid us immensely in protecting our carriers overseas from arbitrary restrictions and discriminatory policy in other countries. That the public can still fly overseas today with relative ease has been no small accomplishment and one that brings us a certain satisfaction.

But we're not completely out of the woods yet. The most crucial problem now is the price of fuel. Bonded fuel will have to find its international level if it is to continue to flow to the United States. The question of finding an equitable pricing system for both domestic and international airlines remains unanswered. Regardless of the price of domestic fuel for international carriers, the net effect of all this will be a dramatic increase in the airlines' fuel bill and higher prices for foreign travel. The impact on international traffic could be substantial, coming as it does at a time of generally softening travel markets.

Problem of Excess Airline Capacity

The fuel crisis came at us when many felt that there was already excess airline capacity —that is, too many flights—in some international markets. With the blessings of the Civil Aeronautics Board (CAB), U.S. and foreign airlines have already reached agreement to reduce capacity in some markets and have eliminated flights unilaterally in others. Airlines are also restructuring part of the U.S. international air transport system. Examples include the proposed PanAm-TWA route swap involving Ireland and East Africa and the proposed exchange of South Pacific and Caribbean routes between PanAm and American. The underlying causes for these swaps predate the fuel crisis, but they may have been accelerated by it.

Under the Bermuda system,[1] which this country has espoused for over 25 years, governments agree to allow competition in aviation rather than enforcing rigid bilateral regulation. Do capacity agreements and route swaps mark the demise of the Bermuda system? There may be some who think it is high time we scrapped it. The fact is that, however, while the basic principles of Bermuda have not changed, our application of those principles throughout the years has not been immutable. For example, we have been able to conclude Bermuda-type air transport agreements with a number of countries—such as Italy, Spain, and Iran, to mention a few—whose aviation philosophy is quite different from ours. We have satisfied these countries as to U.S.-airline capacity plans. And of course we now have part 213 of the CAB regulations, which permits the United States to retaliate against foreign airlines whose governments are restricting our operating rights.

I do not believe that the basic elements of the Bermuda system are dead or even dying. These principles derive from our common

[1] For text of the final act of the U.S.-U.K. conference on civil aviation held in Bermuda Jan. 15–Feb. 11, 1946, see BULLETIN of Apr. 7, 1946, p. 584.

conception that governments should not be in the business of making commercial decisions. On the other hand, we should not forget that Bermuda is a system of regulation. Consequently, just as it seems that the nature and extent of domestic regulation may be changing, so it may be internationally.

The Department and other concerned agencies are initiating a study, utilizing the services of outside research groups, to determine what changes in U.S. policies, if any, are necessary to meet the new challenges. Moreover, we are also examining means to put teeth into the standard provisions of bilateral agreements which deal with excess capacity. We are particularly concerned about excess capacity dedicated to carrying fifth- or sixth-freedom traffic, traffic outside the primary market between the bilateral partners. When this government gets itself equipped with the appropriate tools, we may be able to talk to our bilateral partners about this kind of problem with something more than moral indignation.

Negotiation of Route Agreements

Anyone who has kept a tabulation of U.S. air transport negotiations over the last few years will have noted that almost all of them have ended without agreement. This does not reflect some basic difficulty in the process of negotiating; it does reflect the fact that we are insisting on getting as much as we give. The reason is quite simple: In recent times quite a few countries, including some in larger markets, have been getting more out of bilateral agreements than we think they are due, both in terms of revenues and in terms of balance of payments.

Not only are we turning these countries away when they ask for more; we are trying to do something to correct those agreements which are grossly inequitable. Since in most cases there is nothing additional we want, the only means of correcting the imbalance would be to take away rights foreign countries already have, a difficult solution at best—although we do have the option to denounce and renegotiate an agreement. We are acutely conscious of the problem, and we do not attempt to push it under the rug simply because it is hard to solve.

The Department is also determined to protect our airline services abroad and to expand them where it is in the U.S. interest. However, in a world where few things are free we have to pay for what we want. Within this government there is not always a unanimous view whether the price paid is worth the benefit achieved. I have found that these differences tend to be more over a principle than over a pragmatic calculation of the dollars-and-cents value. One may question whether the price we are asked to pay is justified in order that U.S. airlines may serve the far corners of the globe. Is it really necessary for either commercial or national interest reasons for U.S. airlines to serve just about every country there is?

Foreign Restrictive Practices

Capacity and routes are the basic questions of our international services, but we are becoming increasingly concerned by foreign restrictive practices which impair the ability of our carriers to get a fair crack at the foreign market. The use of restrictions to achieve what cannot be achieved openly is not confined to international aviation. The nontariff barrier, after all, was widespread in Europe during the 1930's, when international aviation was in its infancy.

The subject has, however, been given recent prominence by virtue of a report prepared by the CAB from reports supplied from our Embassies abroad. In our view, foreign restrictive practices fall into two categories.

First, there are those practices which are so embedded in the cultural, social, or political way of life of a country that there is little or nothing we can reasonably do to change them, no matter how foreign they may be to our thinking. Socialist countries refuse to allow foreign enterprises to sell tickets for local currency. Foreign governments may encourage preferential treatment for their airlines or monopolize domestic-origin traffic. Since the practice cannot be changed by any

action on our part, the only remedy is to adjust the benefits under the agreement accordingly and decrease the ability of the foreign airline to penetrate the U.S. market. We have followed this course in our air transport agreements with Eastern European countries, for example.

The second category contains practices adopted by regulation or order of a foreign government which could be rescinded if the United States had effective means to retaliate. This may include practices such as requiring that ground handling be performed by the national airline or a government-controlled monopoly. And of course in our free enterprise economy the U.S. Government cannot force compensating actions such as having foreign airlines contract with particular companies for ground handling in the United States. Foreign governments may refuse to allow reasonable remittance of revenues or may grant tax or foreign exchange advantages to travelers using foreign airlines while denying the same advantages to travelers on U.S. airlines. The effective means of retaliation are not easy to find, however, because finance authorities around the world seem to be impervious to aviation considerations.

We must look elsewhere for effective leverage; this probably means doing something to the schedules of the foreign airlines. In new agreements, we are insisting on "doing business" provisions which guarantee the remittance of revenues, the right to sell tickets and post employees abroad, and so on. The United States itself cannot adopt discriminatory practices if it expects others to forgo this form of protectionism. Other countries have been quick to point out, for example, that the Domestic International Sales Corporation law, which gives a minimal but clearly preferential tax break to U.S. export companies which ship on U.S.-flag aircraft, is discriminatory, in their view. We must keep our own house in order.

Charter Services

In the Department we have taken very seriously the statement approved by the President that "Charter services are a most valuable component of the international air transportation system, and they should be encouraged." [2]

We have sought to achieve the regularization of charter services through intergovernmental agreements called for by the policy statement. I suspect at times that some may have wished we displayed somewhat less zeal in this pursuit. We are convinced of the importance of charters as a way of making international travel available at reasonable prices to a great part of the public. Our scheduled carriers, as well, have found charter operations to be an important part of their business. It was through the energetic charter activities of both scheduled and nonscheduled carriers that the U.S.-flag share of North Atlantic travel overall has improved at a time when our share of the scheduled market remained constant.

Within the last year we were able to negotiate successfully the first comprehensive bilateral agreement on charters with Yugoslavia and agreements with Canada and Jordan. These agreements, while significant as precedents, do not cover the major travel markets for the United States. A recent development of perhaps greater importance is the decision of the European Civil Aviation Conference. ECAC has expressed willingness to reconsider its recommendation against its members' negotiating bilateral charter agreements with us. Further work with ECAC is required, but we intend to pursue energetically our goal to negotiate agreements on charters with our important aviation partners.

This past year, too, has seen an important experiment in the charter field with the advent of the "advance booking charter," which allows individuals to participate, under certain conditions, in nonscheduled flights. The Department has played a leading role first in establishing the international principles in the so-called Ottawa Declaration and subsequently in negotiating specific bilateral ar-

[2] For a statement by President Nixon issued on June 22, 1970, and a statement of international air transportation policy, see BULLETIN of July 20, 1970, p. 86.

rangements with European countries.[3]

We are very much aware that the returns are not yet in on this experiment. Charters of affinity groups such as clubs, churches, and so on, have until recently been the major vehicle for promoting low-cost travel, but they are nonetheless discriminatory and are a headache because they invite abuses.

It is our hope that the experiment will be successful and that the advance booking concept will become the basic international form of charter. Until that happens, however, we must maintain the affinity charter because so many of our citizens now depend on it. We are pleased that the Europeans have decided to permit U.S.-origin affinity charters to continue despite their decision to discontinue European-origin affinities.

Need for Simplified Fare Structure

For a while last year it looked as if we had discovered an airfare equivalent of the sunspot theory of the business cycle. It looked as if we would have an open-rate confrontation over the North Atlantic about every 10 years; that is, operations without international agreement about rates. The aviation community found it necessary last spring to continue a fare pattern not really supported by anyone, because neither the International Air Transport Association (IATA) nor governments could agree on new, imaginative solutions.

On the substance of the issue we have supported and will continue to support the CAB in seeking a simplified structure that the public can understand. We believe that the structure should realistically reflect costs and more fairly weigh the comparative values of products offered. One class of passengers should not subsidize the travel of another.

Nevertheless we must remind ourselves that international aviation is in fact international. In a complicated world of nations, jealous over their sovereignties, few if any are quite ready to accept the principle that all wisdom is located at a particular set of latitude and longitude coordinates. In other words, no one government can impose its views upon the rest. We must insist, however, that other governments deal with us fairly and objectively in finding a constructive middle ground. Given the range of social and economic views in this field, the task is not simple. It will require the patient and dedicated and creative cooperation of all concerned to maintain a healthy international air transport system.

Following these precepts, the latest North Atlantic fare package is an improvement. More importantly from our point of view, it was achieved without confrontation and without the open-rate situation which some feared was looming over us. It remains to be seen what ideas IATA can produce, not only to deal with the annual fare problem but also the restructuring of routes, costs, and services that might flow in the wake of the energy crisis.

Dealing With Hijacking

We had a good year in 1973 in one respect: Hijacking in the United States dropped to zero. However, periodic incidents arising abroad dramatically and painfully highlight the need for improved aviation security throughout the world.

Just before Christmas, 30 travelers quietly waiting at the Rome airport were suddenly and senselessly killed in a savage terrorist attack on a Pan American plane. These passengers had little in common, certainly not nationality, race, religion, or politics. In fact, the only thing they did have in common was that they were all travelers. It is not surprising that the Rome attack was universally condemned; for example, the Saudi Arabian Foreign Ministry characterized the act as criminal and one which "none but the worst enemies of the Arab and Islamic nations could commit."

Combating hijacking is not a simple problem. There are political forces which inhibit the governments from taking the forthright action necessary to make air travel secure. The fruitless and frustrating attempt at the

[3] For background and text of the declaration, see BULLETIN of Jan. 1, 1973 p. 20.

International Civil Aviation Organization (ICAO) Conference in Rome last year to develop an enforcement convention confirmed the strength of these forces. We were extremely disappointed by this setback, but we are not discouraged. We intend to continue vigorous efforts to combat hijacking, to tighten physical security measures, to encourage ICAO to be more active, and to pursue efforts with other nations to find a more effective legal structure for dealing with criminals who threaten international aviation security.

Maintaining and Expanding Aerospace Exports

There used to be a fable passed around to the effect that the State Department was only interested in air transport; the aircraft manufacturers were said to be left in a state of benign neglect. This myth was already outdated when I came to the Department some 10 months ago, but I would like to make it clear that aerospace exports are of major concern to the Department and to our Embassies abroad.

As those who work in the aerospace industry or follow it know, the risks in aerospace are not all concentrated on the astronauts. Since 1968, employment in this key U.S. industry has dropped a staggering 42 percent. Even in 1973, which was on the whole a good year for the industry, employment dropped 3 percent below 1972. The one bright spot in this picture has been the growth of exports, which expanded 38 percent in 1973 to reach an alltime peak. The net result of this slowing down of overall production and increase in exports has been an industry increasingly dependent on foreign sales. Last year they constituted almost 40 percent of total military and civilian aircraft shipments, up from 20 percent in 1968. It has been estimated that 161,000 full-time jobs in the aerospace industry depend on exports. It is our objective to maintain and expand what has become the largest positive industrial element in the U.S. balance of trade.

The maintenance of a high level of U.S. aerospace exports is important to the United States, but it is also an asset to the air transport industry and to the traveling public everywhere. Aerospace development costs and fuel costs are skyrocketing here and abroad. Our commercial advantages from devaluation may be transitory. The benefits of the U.S. industry's efficiency and long production runs are important to all nations desiring inexpensive and safe air transportation. New possibilities are opening up in Eastern Europe and in the People's Republic of China. These markets pose special problems for the industry and the government on which we have to work together closely.

In this review of the international aviation scene, I have touched on a number of issues. In my view, the system, international aviation, and the policies are in pretty good shape. We have problems, of course; we have new issues to deal with; and we will have to adjust to future events. I think we can take these problems in stride.

Authorization of Funds for Defense Articles and Services for Portugal

PRESIDENTIAL DETERMINATION NO. 74–7 [1]

Memorandum for the Secretary of State

PRESIDENTIAL DETERMINATION—PORTUGAL

NOVEMBER 2, 1973.

Pursuant to the authority vested in me by Section 614(a) of the Foreign Assistance Act of 1961, as amended, I hereby:

(a) Determine the use of not to exceed $1,000,000 in FY 1974 for the grant of defense articles, defense services and training to Portugal, without regard to Section 620(m) of the Act, is important to the security of the United States; and

(b) Authorize such use up to $1,000,000 for the grant of defense articles, defense services and training to Portugal, without regard to the limitations of Section 620(m) of the Act.

This determination shall be published in the FEDERAL REGISTER.

Richard Nixon

[1] 39 *Fed. Reg.* 1423.

U.S. Announces 1975-76 Pledge to U.N.-FAO World Food Program

Following is a statement made before the pledging conference of the World Food Program (WFP) at the United Nations on February 4 by Deputy Assistant Secretary of Agriculture Richard E. Bell, who was head of the U.S. delegation to the pledging conference.

USUN press release 6 dated February 4

As a primary sponsor and major supporter of the World Food Program, the United States attaches special significance to this sixth opportunity to participate in a pledging conference. We join the community of nations in marking the beginning of the World Food Program's second decade of providing help and hope for millions of people throughout the world.

It is a tribute to the Program's initiative and vitality that during a period of world commodity supply problems the World Food Program has apparently exceeded its 1973–74 pledging target by some $15 million.

Prospects for record production of world grain and oilseed crops this year give rise to optimism. However, the combination of increasing populations, sharply reduced global stocks, the push toward improved diets, and the need for replenishing and building stocks is expected to result in tight supplies for the immediate future. In this connection, Secretary of Agriculture [Earl L.] Butz emphasized, in addressing the Food and Agriculture Organization's biennial conference last November, that the food supply involves more than just the visible amount of a commodity. It involves the capacity of soil to produce, the often capricious influences of weather, the ability of people to take the product, process it, transport it, and make it available to people at prices they can afford to pay. It requires the total cooperative effort of not only food producers, consumers, and traders but of those who also provide the basic inputs for food production.

I believe we can agree that as our mutual problems have become more clearly identified, our concern over them has sharpened and actions toward reaching acceptable resolutions are showing more promise. FAO's leadership in dealing with the possibilities for minimum world food security and the joint efforts of the United Nations, FAO, and other world bodies in preparing for the World Food Conference in November 1974 give hope and promise to the objective of more adequate food supplies.

Too, we have seen in the World Food Program an excellent example of how a multilateral organization can take effective action in meeting the needs and alleviating the suffering of people. As noted in Dr. Aquino's [Francisco Aquino, Executive Director of the World Food Program] report to the 24th session of the Intergovernmental Committee, the World Food Program has committed over $1.5 billion to development projects and emergency operations involving over 25 million people and including nearly 100 countries.

While WFP's pledging target has increased from its original target of $100 million (for a three-year period) to the current target of $440 million for the 1975–76 biennium, the Program has not been able to avoid hardships during the year just ended. For the first time since its inception, the Program's Executive Director could not present new projects for approval of the Intergovernmental Committee because of a reduction in resources available to the Program. Although representing a significant increase, the $440 million target may not call forward the volume of commodities represented by the previous $340 million target because of expected higher prices. The minimum nature of the $440 million target was stressed in Dr. Aquino's recent letter to states members of the United Nations and of FAO. In short, the need is greater and the obligation broader than can be accommodated through traditional sources.

Against this background, I turn to our pledge to the World Food Program for the 1975–76 biennium. The United States pledges

commodities, shipping services, and cash up to a total of $140 million toward the $440 million pledge target for the 1975–76 period. This pledge includes up to $97 million in commodities, subject to the condition that the U.S. contribution does not exceed 32 percent of the total contributions from all governments in commodities and in cash used for the purchase of commodities.

The United States will also furnish shipping services to transport all of the commodities provided by the United States to the World Food Program. The value of such services is presently estimated at $40 million for the $97 million worth of commodities. The United States will also contribute $3 million in cash, which may be utilized together with cash pledges of other nations, to provide administrative direction of the Program for the 1975–76 biennium.

Our pledge makes real our traditionally stated desire to give WFP a truly multilateral character and to encourage both present and new donors to respond more fully to WFP requirements. It mirrors our continued strong support of multilateral aid through WFP and our sensitivity to those in need. It is made possible by our free, incentive-oriented farm economy.

This pledge, it must be recognized, is subject to the availability of funds and commodities. The kinds and quantities of commodities to be supplied are to be worked out with the Executive Director of the WFP on the basis of requirements and availabilities at the time the commodities are needed and in accordance with the applicable U.S. laws and regulations. For planning purposes, WFP may assume that the kinds of commodities that will be provided by the United States will likely be the same as those provided in the past.

Although one cannot be certain about the future, let me say that we look forward to continuing cooperation with other nations participating in the World Food Program and that we regard the level of interest shown here today as a favorable omen for the Program's future.

U.S. and Mexico Agree on Proposed 1974 Tuna Conservation Program

Joint U.S.-Mexico Statement [1]

Delegations representing the United States and Mexico met in Mexico City from January 29 to February 1, 1974, to study the system for the control of yellowfin tuna fishing in the eastern tropical Pacific during 1974. The talks between the delegations were the result of an agreement reached at the 15th Intergovernmental Meeting on the Conservation of Yellowfin Tuna, the last phase of which took place in Washington, D.C., in December 1973.

A draft resolution agreed upon by the two delegations will be forwarded for approval to the Governments of Canada, Costa Rica, France, Japan, Nicaragua and Panama, which participated in the Intergovernmental Meeting and are members of the Inter-American Tropical Tuna Commission [IATTC]. If these Governments approve the resolution, it will be implemented by the Commission.

Under the agreement, the fishing season will be divided into two periods, the first of which will be a free fishing season in which the fleets of all member countries will be able to fish for yellowfin tuna without restriction. In the second, closed season, vessels of these fleets of less than 400 tons capacity will be permitted to fish up to a limit of 6,000 tons per country. Lastly, the agreement provides that vessels with special problems will be permitted to fish during the closed season up to a limit of 8,000 tons of yellowfin tuna. The participating delegations at all times sought to ensure the protection of the tuna resource.

The Mexican delegation was headed by Ambassador Fernando Castro y Castro, Director General of the Secretariat of External Relations, and included also Minister Joaquin Mercado, of that Secretariat, as well as Mexican IATTC Commissioners Arturo Diaz Rojo, Pedro Mercado, Amin Zarur and Luis

[1] Issued at Mexico City and Washington on Feb. 5 (press release 40).

Garcia Cacho, all of the Secretariat of Industry and Commerce.

The delegation of the United States was headed by Wilvan G. Van Campen, of the Office of the Special Assistant to the Secretary of State for Fisheries and Wildlife, and included also U.S. IATTC Commissioners John G. Driscoll, Jr., Steven Schanes, Donald P. Loker and Robert C. Macdonald, as well as John L. Martin and Mary Beth West of the Department of State, George B. Rees of the U.S. Embassy in Mexico, Gerald V. Howard, Brian S. Hallman and William W. Fox of the Department of Commerce, and Doyle E. Gates of the State of California.

First Secretary Yoichi Watanabe of the Japanese Embassy in Mexico attended as observer and Dr. James Joseph, IATTC Director of Research, acted as adviser to the meeting.

Representatives of various elements of the tuna industries of both countries, including officers of vessel owners' associations, processing companies, cooperatives and fishermen's unions, attended the sessions as advisers to their respective government delegations.

Mrs. Hutar Named U.S. Representative on U.N. Status of Women Commission

The Department of State announced on January 3 (press release 3) that Mrs. Patricia Hutar had been sworn in that day as U.S. Representative on the Commission of the Status of Women of the United Nations Economic and Social Council. (For biographic data, see press release 3.) Mrs. Hutar's initial assignment was to represent the United States at the 25th session of the Commission on the Status of Women January 14–31 at the United Nations in New York.

TREATY INFORMATION

Current Actions

MULTILATERAL

Meteorology

Convention of the World Meteorological Organization. Done at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.
Accession deposited: Liberia, February 7, 1974.

BILATERAL

Chile

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed, or insured by the United States Government and its agencies, with annexes. Signed at Washington February 6, 1974. Entered into force February 6, 1974.

Agreement regarding the consolidation and rescheduling of payments under P.L. 480 title I agricultural commodity agreements, with annexes. Signed at Washington February 6, 1974. Entered into force February 6, 1974.

Agreement regarding the consolidation and rescheduling of certain debts owed to the Agency for International Development (AID) pursuant to certain loan agreements, with schedules. Signed at Washington February 6, 1974. Enters into force, except as AID may otherwise agree in writing, when Chile, within 30 days from date of signature of agreement, furnishes to AID, in form and substance satisfactory to AID, a legal opinion of counsel satisfactory to AID that this agreement has been duly authorized or ratified by, and executed and delivered on behalf of, Chile and constitutes a valid and legally binding obligation of Chile in accordance with its terms.

Spain

Agreement amending the agreement for the continued operation and expansion of the space vehicle tracking and communications station on the Island of Gran Canaria of April 14, 1966 (TIAS 6003). Effected by exchange of notes at Madrid January 15, 1974. Entered into force January 15, 1974.

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*39	2/4	Buffum sworn in as Assistant Secretary for International Organization Affairs (biographic data).
40	2/5	U.S.-Mexico tuna conservation program.
*41	2/6	Kissinger: Harvard-Princeton-Yale Club, Washington.
42	2/7	Kissinger: address at Panama City.
*43	2/7	Secretary Kissinger to speak in Missoula and San Francisco.
*44	2/8	National Review Board for Center for Cultural and Technical Interchange between East and West, Honolulu, Mar. 4.
*45	2/8	Advisory Committee on Private International Law Study Group, Cambridge, Mass., Mar. 1.

* Not printed.

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THE DEPARTMENT OF STATE
BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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March 4, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Major Oil-Consuming Countries Meet at Washington To Discuss the Energy Problem

Following are statements made before the Washington Energy Conference on February 11 by Secretary Kissinger and Federal Energy Administrator William Simon and an outline of a statement made that day by Secretary of the Treasury George P. Shultz, together with the text of a communique issued at the conclusion of the conference on February 13.

STATEMENT BY SECRETARY KISSINGER

Press release 46 dated February 11

On behalf of the President of the United States, I welcome you to this conference.

My great predecessor Dean Acheson once observed that sometimes there is nothing man can do to avert disaster but more often our failure lies "in meeting big, bold, demanding problems with half measures, timorous and cramped." The nations gathered in this room are confronted with an unprecedented challenge to our prosperity and to the entire structure of international cooperation so laboriously constructed over the last generation. The impact of the energy crisis reaches around the world, raising fundamental questions about the future of the developing countries, the prospects for economic growth of all nations, and the hopes for global stability.

The dimensions of the problems were recognizable at least a year ago; indeed, we addressed them as part of our original proposal for a new relationship with Europe and Japan. The challenge will be with us for at least the rest of this decade and perhaps beyond. The seriousness of the problem, its pervasiveness, and the impossibility of national solutions all compel international cooperation—among major consumer nations, among developed and developing nations, and among producer and consumer nations.

The United States has called this conference for one central purpose: to move urgently to resolve the energy problem on the basis of cooperation among *all* nations. Failure to do so would threaten the world with a vicious cycle of competition, autarky, rivalry, and depression such as led to the collapse of world order in the thirties. Fortunately, the problem is still manageable multilaterally: National policies are still evolving, practical solutions to the energy problem are technically achievable, and cooperation with the producing countries is still politically open to us.

Let me summarize the U.S. views on the major issues confronting us:

First, the energy situation poses severe economic and political problems for *all* nations. Isolated solutions are impossible. Even those countries, like Canada and the United States, capable of solving the energy problem by largely national means would still suffer because of the impact on them of a world economic crisis. Consumer or producer, affluent or poor, mighty or weak—all have a stake in the prosperity and stability of the international economic system.

Second, this challenge can be met successfully only through concerted international action. Its impact is controllable if we work together; it is unmanageable if we do not.

Third, the developing countries must quickly be drawn into consultation and collaboration. Their futures are the most profoundly affected of all. Unable to meet pres-

ent prices for oil and fertilizer, they face the threat of starvation and the tragedy of abandoned hopes for further economic development. In the name both of humanity and common sense we cannot permit this.

Fourth, cooperation *not* confrontation must mark our relationships with the producers. We each have legitimate interests. We each face looming dangers. We need each other. If we move rapidly and cooperatively toward collective action, all will benefit.

Fifth, the United States recognizes its own national responsibility to contribute significantly to a collective solution. While we are less immediately affected than others, we see it as a matter of enlightened self-interest—and moral responsibility—to collaborate in the survival and restoration of the world economic system. Project Independence, which will reduce the American demand for world supplies, can be a way station on the road to a new Project Interdependence. We are willing to share American advances in energy technology, to develop jointly new sources of supply, and to establish a system of emergency sharing. We are prepared to make specific proposals in these areas in the follow-on work of this conference.

The Energy Problem

The energy crisis has three dimensions; first, the oil embargo; second, the shortage of supply; and finally, the quantum increase in prices.

The embargo now is directed largely at the United States. We will deal with this issue and ask for no assistance. But while the embargo's immediate economic impact may be selective, its political dimension should be of more general concern. For it carries profound implications for the world community —the manipulation of raw material supplies in order to prescribe the foreign policies of importing countries.

The basic economic problem goes deeper, however. The explosion of demand has outstripped the incentives of producers to increase production. Inflationary pressures in the consumer countries have tended to create incentives to withhold production. This is especially true in a sellers' market, where the producing countries can increase their income by raising prices rather than output.

But there are hopeful signs. World demand has been reduced in recent weeks—partly because of rising prices—and may well remain below last September's level. Thus we may be at the beginning of a dramatic change in the long-term outlook for the world petroleum market. Determined conservation efforts in the consuming countries and vigorous pursuit of alternative energy sources can further reduce the rate of growth in demand for oil.

The most immediate and critical problem concerns price. Current price levels are simply not sustainable. At these levels, the industrial countries alone will incur a current account deficit of $36–$40 billion in 1974. Such large increases in costs would seriously magnify both unemployment and inflation in the importing countries, while the effect on domestic production would be deflationary. Pressures for import quotas will become irresistible; a general decline in world trade will follow inevitably.

The threat to the world's poorer nations is even more profound. At present prices the less developed nations will face a current account deficit of $25–$30 billion in 1974, of which more than $10 billion is caused by the increase in oil prices. This deficit is three times the total aid flow of the entire world in recent years. Neither the developing nations nor traditional aid donors can finance such a sum. Even the attempt would destroy two decades of hard-won progress, leaving in its wake a legacy of political tension, social turmoil, and human despair.

Moreover, as a direct result of the oil price hikes the poorer nations' supply of crucial fertilizer has been severely reduced in recent months. Fertilizer prices have at least doubled, raising the specter of famine. We cannot permit this to happen.

The producing countries themselves will not be spared these consequences. Their unprecedented opportunity for dramatic and

rapid economic progress cannot escape the effect of global inflation, mounting restrictions in the world's trading and monetary system, and the political tensions of unbridled competition. A major task before this conference is to begin creating a framework of cooperation that will fulfill both the hopes of the producing and the needs of the consuming nations.

These global dilemmas cannot be avoided through exclusive bilateral arrangements. We do not dispute the right of sovereign nations to make individual arrangements. But we believe that it is essential that these arrangements follow agreed rules of conduct. In their absence, unrestrained bilateralism is certain to produce disastrous political and economic consequences.

No conceivable increase in bilateral trade with the producing nations can cover the massive payments deficits that each nation faces. The only result of unmanaged bilateralism will be to bid up prices, perhaps even beyond present levels, and to stabilize them at levels that will ruin the countries making the bilateral arrangements before they ruin everyone else.

Thus the ultimate challenge is to the fragile fabric of international principles and institutions. If we fail to achieve a cooperative solution, each of us will be tempted to transfer the problem onto others. This was the approach the industrial world followed during the "beggar-thy-neighbor" policies of the 1930's. We all know the consequences.

A Seven-Point Approach to Cooperation

The great goal of American policy for the past quarter century has been to try to achieve a more cooperative world, to put permanently behind us the narrowly competitive approach which has traditionally ended in conflict—economic or military or both. We maintain our faith in the validity of this goal. In pursuit of the common interest, the United States is willing to make a major contribution, in effort, in science, in technology, and in resources, to a common solution to the energy problem.

President Nixon Expresses Satisfaction With Outcome of Energy Conference

Statement by President Nixon [1]

I would like to express my satisfaction with the outcome of the international energy conference which has just been meeting in Washington. The United States has approached the energy problem in a spirit of cooperativeness —among consumers and between consumers and producers—and I am pleased that this attitude struck a responsive chord with the participants of the Washington Conference.

I believe that we are now well launched on an international effort to deal with all aspects of the problem. At the same time, this is only a beginning, and all the nations concerned must now pool their efforts and their ingenuity in the following up of the work of the conference. The United States is ready to do so and looks forward to working with all the other countries involved.

[1] Issued on Feb. 13 (White House press release, Key Biscayne, Fla.).

The United States is prepared to join with the nations assembled here, and later with the producers and other consumers, to make a truly massive effort toward this major goal: the assurance of abundant energy at reasonable costs to meet the entire world's requirements for economic growth and human needs.

To this end, we suggest that this conference consider seven areas for cooperative exploration: conservation, alternative energy sources, research and development, emergency sharing, international financial cooperation, the less developed countries, consumer-producer relations.

1. *Conservation:* The development of a new energy ethic designed to promote the conservation and most efficient use of existing energy supplies is crucial. We need a basic commitment to share the sacrifices and costs of conservation and thus reduce pressures on world supply. The United States recognizes that it is the world's most profli-

gate energy consumer. Yet our own national program has, within the past four months, reduced government energy use by 20 percent, industrial consumption by more than 10 percent, gasoline consumption by 9 percent, and natural gas and electricity consumed in residential and commercial buildings by 6 and 10 percent respectively. We shall continue to expand this program. We are prepared as well to join other consumers in pledging a sustained conservation effort. The United States is willing to collaborate in a review of the national programs of each consumer country, in an appraisal of their effectiveness, and in recommendations to governments for additional measures.

2. *Alternative Energy Sources:* The demands of this decade cannot be met unless we expand available supplies through vigorous development of alternative energy sources.

To produce quick results, we must concentrate on known fuel resources. Coal is in abundant supply, but we need to develop the technology neglected during the period of low-cost oil. Continental shelves and nonconventional deposits—coal, shale, and similar resources—need to be developed rapidly.

The United States is prepared to explore the following possibilities for consumer cooperation:

—A collective commitment to develop the fossil fuel resources that are available within our respective borders.

—Coordinated policies to encourage the flow of private capital into the new higher cost energy industries, such as synthetic oils and gas from coal and shale.

—Governmental arrangements to accelerate the global search for new energy sources such as offshore oil.

—International programs to reduce the vulnerability of the major industrial countries to the interruption and manipulation of supply, such as the orderly conversion of key sectors away from petroleum.

3. *Research and Development:* New technologies, and not only new explorations, can provide us with additional sources of energy. Many of our countries are launching large new programs. Our own national program contemplates the expenditure of more than $11 billion in government funds over the next five years and an expected investment of $12.5 billion in private funds in the same period. But we have no monopoly on the most advanced and promising approaches. It is to our mutual benefit to coordinate and combine our efforts. Thus the United States is prepared to make a major contribution of its most advanced energy research and development to a broad program of international cooperation in energy.

Without a doubt, a significant portion of new energy will be supplied from nuclear reactors, for which increased quantities of enriched uranium will be needed. Within a framework of broad cooperation in energy, the United States is prepared to examine the sharing of enrichment technology—diffusion and centrifuge. Such a multilateral enrichment effort could be undertaken in a framework of assured supply, geographic dispersion, and controls against further proliferation. We shall submit principles to guide such a cooperative enterprise for the follow-on work which we are proposing.

4. *Emergency Sharing:* The allocation of available supplies in time of emergencies and prolonged shortages is essential.

None of us can be certain how the world balance of supply and demand for petroleum will develop or what political contingencies may arise. But we cannot leave our security or our national economies to forces outside our control.

The United States declares its willingness to share available energy in times of emergency or prolonged shortages. We would be prepared to allocate an agreed portion of our total petroleum supply provided other consuming countries with indigenous production do likewise. As we move toward self-sufficiency, our ability for sharing would of course increase.

Building on the earlier work done in the OECD [Organization for Economic Cooperation and Development], definite recommendations should be submitted to governments including:

—A sharing formula;

—Criteria to determine when a supply shortage exists;

—A mechanism which would implement and terminate the sharing arrangement; and

—Complementary programs such as stockpiling and standby rationing schemes.

5. *International Financial Cooperation:* The structure and strength of the world's trading and monetary system must be restored and strengthened. If there is no way for the industrial countries collectively to eliminate the trade deficits created by their higher oil import bills, they can attempt to do so individually only at the cost of enlarging someone else's problems. In addition, the producing nations are accumulating financial claims against the consuming nations at a rate unprecedented in history.

In the past, the various national and international money markets have efficiently recycled oil revenue funds back into the economies of the consuming countries. At least for industrial countries, these markets can in large part continue to perform that function. The removal of our capital controls and the easing of controls in other countries should help. But the magnitude of the new flows could put serious strains on the operations of these markets. The funds flowing to particular consumer countries may not reflect their needs for balance of payments financing; severe instability could result if these funds were repeatedly shifted across currency boundaries without adequate financial cooperation among the industrialized countries. Here again there is a crucial congruent interest between the producers and consumers and an urgent need for cooperative solutions.

Measures to deal with the economic effects of high oil prices must be adopted on a broad front. Recommendations should include:

—New mechanisms to facilitate the distribution of international capital flows from oil revenue surpluses.

—Means for producers and consumers to cooperate in building confidence in investment policies and the integrity of investments.

—Steps to facilitate the fuller participation of producing nations in existing international institutions and to contribute to the urgent needs of the developing consumer countries.

6. *The Less Developed Countries:* The needs of the developing countries are a particularly urgent dimension of the energy crisis. Massive increases in oil import costs are occurring at a time when the export prospects of many less developed countries have sharply diminished as a result of the slowdown in world economic activity. Even at lower oil prices, the balance of payments problems of the less developed countries would require sustained attention.

Our approach to this human and economic challenge should be based on several principles:

—The developing consumer countries should be invited to join the next stage of our deliberations.

—Developed countries should avoid cutting their concessional aid programs in response to balance of payments problems. In this regard, the United States will urge the Congress to restore our contribution to the International Development Association (IDA).

—The wealth of the producer nations opens up a potential new source of large-scale capital assistance for development. The producer nations should have a special understanding for the problems facing the poorer nations. We should encourage and facilitate their participation in international and regional institutions.

—Urgent measures must be taken to assure sufficient fertilizer supplies for the coming year. The immediate problem is to provide oil at a price that will allow existing fertilizer production capacity to be fully utilized. The longer term problem is to create sufficient capacity to meet the world's rapidly growing needs. The United States would be prepared to contribute its technological skills to such a joint enterprise.

7. *Consumer-Producer Relations:* Our ultimate goal must be to create a cooperative framework within which producers and con-

sumers will be able to accommodate their differences and reconcile their needs and aspirations. Only in this way can we assure the evolution and growth of the world economy and the stability of international relations. We must work toward the objective of preventing coercion of the weak by the strong as of the strong by the weak; the producing nations must be given a secure stake in an expanding world economy and the consuming nations a secure source of supply.

It seems clear that enlightened self-interest of consumers and producers need not and should not be in conflict. Future generations may not enjoy a permanent source of petroleum. Excessively high prices are already calling forth massive investments in alternative energy sources, which raises the prospect of lower prices and shrunken export markets for the producers in the future. But stable oil earnings, at just prices, wisely invested and increasing by the principle of compound interest, will be available as a long-term source of income.

Thus the producers must have an interest in a "just" price and in stable long-term political and economic relations. Therefore, at the consumer-producer conference for which we are heading, let us discuss what constitutes a just price and how to assure long-term investments. A well-conceived producer-consumer meeting, in which the consumers do not seek selfish advantages either as a group or individually, far from leading to confrontation, could instead lay the basis of a new cooperative relationship. But it will do so only if it is well prepared—and if the consumers have first constructed a solid basis of cooperation among themselves.

The Next Steps

The United States is not interested in establishing new institutions for their own sake. We are solely concerned with practical results. Some of the tasks I have suggested can be carried out by existing international mechanisms; others will break new ground. The essential requirement is to see that concrete recommendations are submitted to the next conference. In order to carry our work forward, we believe a coordinating group should be established with the following responsibilities:

—To relate the tasks that are assigned to existing bodies to our future work.

—To undertake those tasks for which there are presently no suitable bodies.

—To prepare for the next meeting.

Another conference of consumers should then be called at the foreign minister level to assess the work in all seven areas. This conference could include representatives of the less developed countries.

This meeting would lead to a third conference of consumers and producers.

We are open to suggestions about the locale of these next conferences. We should aim to complete the entire process by May 1.

The approach to global cooperation outlined here has prompted the President's invitations to you to join us here today. This conception is ambitious, but the need is great. Therefore let us resolve:

—To meet the special challenges and opportunities facing the major consuming nations with a program of cooperation.

—To bring the developing nations into immediate consultation and collaboration with us.

—To prepare for a positive and productive dialogue with the producing nations.

As we look toward the end of this century, we know that the energy crisis indicates the birth pains of global interdependence. Our response could well determine our capacity to deal with the international agenda of the future.

We confront a fundamental decision. Will we consume ourselves in nationalistic rivalry which the realities of interdependence make suicidal? Or will we acknowledge our interdependence and shape cooperative solutions?

Our choice is clear, our responsibility compelling: We must demonstrate to future generations that our vision was equal to our challenge.

STATEMENT BY MR. SIMON

Washington Energy Conference doc. 10

The world economy is undergoing a period of rapid change and growth. Decisions made in one country affect the patterns of life for the rest of the world. Such decisions demand not only the collective wisdom of world leadership but also a continuing spirit of cooperation among the countries of the world. By building an international framework of cooperation among nations, I am convinced that we can overcome the problems that face all of us in the energy area today and can establish a permanent structure for worldwide economic development.

The explanation of our current problems lies in ourselves—in our own failure to acknowledge our interdependence and plan for it.

There are several areas in which we have failed. On an individual basis, we in the United States and other individual industrialized nations have misused our energy resources and failed to gain control over the rate of growth of energy demand, largely because our shortsightedness has lulled us into believing that abundant and cheap energy supplies could continue indefinitely. Further, we have failed to develop available domestic energy resources adequately. As a group, all of the major consuming countries have failed to develop and agree upon allocation programs to meet emergency shortage situations. Further, we have failed to coordinate our national energy policies or even to adequately discuss their interrelations at a high political level. In fact, we do not have an adequate supply of information and data on world demand and supply, oil supply arrangements between consumer and producer nations, and future prospective resources in order to adopt realistic energy policies.

Because of these failures, we now find ourselves at a crossroads faced with a choice which will influence the history of future generations of the modern world. We can ignore the lessons of the past and be doomed to relive them, or we can learn from them and forge together a new atmosphere for orderly world economic growth.

As such, we must commit ourselves to work against unconstrained bilateral deals which will be counterproductive to all of our goals. In fact, we must seek to redefine bilateralism so that bilateral arrangements only occur within the umbrella of international cooperation.

Today I would like to present to you our views on how we can do this. At a time when the energy shortage has caused a sense of paralysis that grips many people of the world, we must calmly place the issues in the proper perspective. We must wring the emotions out of our considerations of these issues and carefully assess where we are and where we must go from here.

The World Energy Situation

In order to understand the nature of the problem we now face and how we can overcome it, I think it is important to review the world energy situation, in particular with respect to production, consumption, and energy prices, as well as the impact which these factors have on balance of payments, on employment, and on the world economy.

Production and Consumption

First of all, let us review the world production-consumption picture. During September 1973 free-world petroleum production averaged 47.8 million barrels per day.

In the subsequent months, after the outbreak of war in the Middle East, production declined as a result of intentional cutbacks by a few of the oil-producing countries bordering on the Persian Gulf. The low point in production was reached in November, when free-world production was estimated to be only 43.2 million barrels per day. By January 1974 production had increased to an estimated 46.2 million barrels per day, a level about 8 percent below prewar estimates of the level of January production.

Consumption in January was probably about equal to January production. There had been some drawdown in stocks of crude

and petroleum products, but the cumulative reduction by the end of January is estimated to have been only on the order of magnitude of 100 million barrels.

For the calendar year 1974 as a whole, it is estimated that through responsible and efficient use of existing and planned facilities the free world could produce about 51.4 million barrels per day. Whether conditions in 1974 will be such that producers will choose to produce that much and consumers will consume and add to inventories that much oil is very difficult to predict.

Prices

In September 1973 the arm's-length open-market f.o.b. price for a new short-duration sale of a cargo of Arabian light crude was on the order of $2.12 per barrel. In November some crude sales apparently were at prices in excess of the equivalent of $15 per barrel for Arabian light. By the end of January the comparable spot market price had apparently fallen to the $10-to-$11-per-barrel range.

In light of continuing efforts to reduce consumption around the world, the potential clearly exists for spot market prices to continue to decline. There can be no certainty how greatly consumers—and their governments—will be inclined to reduce their consumption below the prewar forecast of about 51.4 million barrels per day in consumption plus normal inventory buildup in 1974.

A rough estimate now would be for free-world 1974 consumption of about 46.4 million barrels per day if oil prices around the world average in 1974 a level consistent with an Arabian-light f.o.b. price of $8.50 per barrel. On a comparable basis, estimated consumption would be on the order of 50.3 million barrels per day with an Arabian-light price of $4.50 per barrel.

To these consumption estimates must be added estimates for the buildup of inventories. Companies and governments will undoubtedly wish over coming months to add to their inventories, not only to return to levels considered normal in the past but also to provide greater security against the demonstrated insecurity of imported supplies. Ultimate objectives for inventories will probably be considerably in excess of targets to be reached by the end of 1974. A reasonable estimate of targets for yearend 1974 might be levels 5 percent above what would have been considered normal in prewar days. On that basis it can be roughly estimated that 200 million barrels will need to be added to inventories in 1974 to build up from present levels to the yearend target. That addition to inventory would increase 1974 total demand to 48.8 million barrels per day at the $8.50 price and 50.8 million barrels per day at the $4.50 price.

Spare Capacity

At either of these illustrative combinations of price and oil use in 1974, the world's forecast "normal" oil production capacity would not be fully employed during the year. Whether some oil-producing nations will choose to allow some of their "normal" production capacity to lie idle, with accompanying loss of revenue, is of course problematical.

Assuming as at present, most producers wish to maintain production, relatively sharp cutbacks would be necessary by the remaining producers at the $8.50 price. For instance, if only Saudi Arabia restrained its production, then for the year Saudi production would average only 3.6 million barrels per day, only about 44 percent of its potential output. If 1974 production restraint were borne on an equal percentage basis by Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar, then the production for each would be about 67 percent of capacity. At the $4.50 price, on these assumptions there would still be a margin of excess capacity in these countries.

Certainly at the higher of the two illustrative price levels, and quite possibly at the lower level as well, production in other oil countries would grow faster than world demand over the years after 1974, so that the relative production restraint would need to be increased over time to maintain those prices.

Balance of Payments Impacts

The impact of such higher costs of imported oil will be severe upon the economies of many oil-consuming nations. The increased costs in 1974 for the less developed nations alone would be on the order of $9 billion at the $8.50 price and approaching $5 billion at the $4.50 price. As a consequence of these changes in oil payments, the projected 1974 current account deficit for the LDC's [less developed countries] would be estimated at about $22 billion at the $8.50 price and on the order of $18 billion at the $4.50 price.

The incidence of the higher oil prices among individual LDC's will vary widely. Some of the hardest hit countries, such as India, Bangladesh, and the drought-ridden regions of western Africa, not only face a significant increase in their import bill, but their low per capita incomes and slow rates of growth of output and of exports will make it difficult to finance anything approaching the same volume of imports as in 1973. Other countries, such as Brazil, Korea, Taiwan, and Turkey, while facing a significant increase in their import bill, will have a greater capacity to finance increased oil payments in the short run with their relatively high level of reserves.

Employment and Inflation

These large increases in payments will worsen both the employment and inflation situation in oil-importing countries. Even after adjustment in monetary and fiscal policies, these increased import bills will have a deflationary impact on demand for domestic production as purchasing power is diverted from domestically produced goods and services in order to meet increased oil import payments.

At the same time that demand for domestic production is being decreased, cost-push inflationary pressures will be increased as a result of the direct impact of oil price rises on price indexes and possibly also as a result of intensified labor pressures attempting to secure a wage increase sufficient to offset the decrease in the standard of living implied by the increased price of oil. There is also likely to be a temporary increase in unemployment and decline in output as patterns of consumption and production are readjusted to the levels of energy costs. Particularly hard hit will be such products as automobiles, plastics, fertilizers, and boating and camping equipment.

It is estimated that for a number of the large industrial countries these factors, even after appropriate adjustments in fiscal and monetary policies, could combine to reduce rates of real economic growth by 1 to 1½ percent during 1974 if an $8.50 level of prices prevailed. There could be 2 to 3 percent additional upward pressure on prices in many countries. At a $4.50 level of prices these impacts would be considerably less.

The Economic Impact of Higher Oil Prices

In general, then, projections of the economic impact for 1974 of higher price levels for oil indicate that oil-consuming nations will experience lower rates of growth, higher rates of inflation, higher levels of unemployment, lower levels of real income, and notably less favorable trade balances than previously anticipated. The economic impact of higher oil prices will vary widely among countries, reflecting not only differing degrees of dependence on imported oil but also differing degrees of financial strength and economic adaptability. All industrial nations, with the possible exception of Canada, could experience serious economic difficulties, as will many LDC's. For LDC's with inadequate reserves, low per capita incomes, and slow rates of output and export growth, the economic impact of higher oil prices could be extremely severe.

For the developed countries—which in recent years have typically run current account surpluses in the order of $10 billion per year—the increased oil costs at the $8.50-per-barrel price would mean a current account deficit of more than $30 billion. At the $4.50 price, the deficit for the developed countries would still be in the range of $5–$10 billion. For the OPEC [Organization of Petroleum Exporting Countries] producers,

even after taking into account an assumed increase in their imports, an $8.50 price would yield a current account surplus in the order of $55 billion. The $4.50 price would still yield a surplus in excess of the $20 billion range. The corresponding increases during 1974 in the foreign asset holdings of the producing countries, while large, will still be equal to only a small fraction of the assets traded in the financial markets of the OECD countries.

The incidence among the developed countries is relatively evenly spread, with projections of increased oil payments as a percent of total imports falling in the range of 10 to 20 percent for most countries. Japan will be particularly hard hit, with a projected increase in oil payments approaching one-third of total 1973 imports. Canada, on the other hand, with oil exports of roughly the same magnitude as imports, should feel virtually no net balance of payments impact from the changes.

Project Independence

At this point I think it is important to carefully assess these projections of energy production, consumption, and prices and recognize that they are flashing warning signals to which we must respond. We must realize that these projections depend upon the basic assumption that recent trends in world demand for energy, in the sources of energy, and in the form in which energy is supplied, will continue largely unchanged. Together, we can prevent this from happening.

The projections do show—clearly and vividly—that we face far-reaching changes in our energy balances. We must accept that the rising demand for energy will lead to a substantial increase in real costs. We cannot be blind to the concentrated location of the existing resources which can be made available for the years immediately ahead.

But there is another side. These projections show us what needs to be done. If we approach it bilaterally, a potential crisis will become a reality. However, if we make the commitment to join together, a potential crisis may be translated into a real opportunity. In essence, the energy problem is the most infinitely solvable one we have—but we must approach it together. Action by consuming countries, with a long view of their best interest, is required now.

We in the United States—in our actions and in our planning—are participating in this process with the greatest sense of urgency.

In November 1973 the President of the United States inaugurated Project Independence, designed to insure an expansion in domestic energy production so that our nation would no longer be subject to economic disruption, or the threat of such disruption, from a sudden curtailment of vital energy supplies. Project Independence is designed:

1. To conserve energy—to establish a new energy ethic that will greatly reduce our growing demand for energy;
2. To increase production of all forms of energy in the United States; and
3. To meet our energy needs at the lowest cost consistent with the protection of both national security and environment.

As we begin this conference, we must not view Project Independence as a move toward autarky, but rather we must see it as part of a worldwide effort to bring greater balance to world energy supply and demand. Our current energy problems magnify the fact that we live in an interdependent world. We in the United States view Project Independence as a means for us to reduce our call on oil available to the international market. Moreover, it is our way to become exporters of energy by 1985. Seen in this way, this effort will be our contribution to the rest of the world. Let us now look carefully at Project Independence and relate this initiative to what we all can and must do together.

The first major thrust of U.S. energy policy is to eliminate waste and conserve energy resources. The United States is the largest energy consumer, using one-third of the world's energy. Our pattern of energy consumption has in part resulted from the relatively low cost of energy in the past. As prices rise, normal market forces will result

in a reduction in demand. The problem, however, is that we cannot wait for these forces to operate. We must force adoption of energy conservation and demand curtailment as an individual and collective ethic now. In turn, efficient energy utilization will become a national "way of life" and not simply a temporary expedient to be followed during this period of acute shortage.

Our objectives are to eliminate waste, husband our scarce resources, and extend the available supplies to insure that essential needs are fully met. In this way a "less is better" ethic can cushion the impact of energy shortfalls on the economy and yield an improved quality of life. This means less weight and horsepower in our automobiles, less speed on our highways, less heat and heat loss in our homes, less empty seats on our planes, trains, and buses, less waste in our industrial processes and powerplants, less throwaway containers. All of these will enhance rather than detract from our economic well-being and living standard.

With such a program, our goal is to cut our annual growth rate in energy consumption from the present 4 to 5 percent down to 2 or 3 percent by 1980. If we can do this, our estimates show that we could save as much as 7 million barrels of oil per day. Although much of the expected 7-million-barrels-per-day saving can result from adherence with current conservation policies, there is considerable research we plan to do which is aimed at permanently reducing consumption of energy. For example, better insulation of houses, more efficient automobile engines, and more efficient power cycles can save energy without causing economic or social dislocation. Thus our research program will concentrate on these areas.

The second major thrust of Project Independence is to stimulate the development and production of domestic energy resources and to develop alternative new energy sources. Specifically, our program will include the following:

—Developing our coal reserves more effectively. We have 1.5 trillion tons of identifiable coal reserves, or half of the non-Communist world's reserves, 425 billion tons of which are economically recoverable now. We must develop ways to utilize this abundant resource. We must mount major research and development efforts in gasification and liquefaction of coal. Further, we must develop techniques for mining surface coal that do not destroy the landscape permanently. We must also develop ways to deep-mine coal that protect the health and safety of miners.

—We have talked for years about the production of oil from our oil shale. There are an estimated 1.8 trillion barrels of oil in the shale resources in the United States, and just those reserves that we presently know are exploitable could satisfy our needs for oil for over 100 years. We need an increased effort by both the Federal Government and private industry to develop this potentially productive resource. I am especially encouraged by recent progress in the *in situ* processes for extracting shale oil. This process suggests that it may be possible to produce shale oil at much less than the current cost of Persian Gulf crude. *In situ* extraction should also have minimal impact on the environment, and its development must be expedited.

—We also have to push forward in the development and utilization of nuclear power. Currently, nuclear power provides only 1 percent of our energy needs after 30 years of development. It could easily provide 10 percent by 1985. We will take every step to expedite the licensing and construction of nuclear power plants, which are an essential part of our program for achieving energy self-sufficiency. We will also develop a broad nuclear program which looks toward liquid metal and other breeder reactors. In addition, top priority will continue to be given to assuring that nuclear power plants are built and operated safely with acceptable environmental impact.

—We have also talked for years about development of such relatively distant alternatives to fossil fuels as fusion, geothermal, and solar energy. For the next decade these alternatives are still very much in the research and development stage of growth, and they could not come into widespread use until after 1990. Nevertheless, although we

will invest in the development of these alternatives, at the same time we must focus now on nearer term measures for expanding energy supplies.

With this overall approach in mind, let us examine in more detail now the specifics of Project Independence.

We have tried to visualize our policy in terms of what must be done in the relatively short range, up to the mid-1980's; and what must be done in the long term, beyond the 1980's. The strategies appropriate for dealing with the short range are in general not the same as those appropriate for the long range, and so I will discuss them separately.

Short Range

In the short range our efforts must be toward development of the existing state of the art, and in addition to our conservation efforts our underlying strategy will be:

1. To increase our domestic supply of gas and oil, including development of the Outer Continental Shelf, our resources in Alaska, as well as our large gas reserves.

2. To supplement this development of oil and gas with expanded use of alternative energy, mainly coal and nuclear power and oil shale.

Research can make some contribution toward implementing these short-range strategies, but the real rewards from research will come in the next decade. Our progress between now and 1980 will depend, for the most part, on our ability to implement existing technology rather than on the results of new research.

1. *Increase domestic supply of gas and oil.*

To increase our domestic supply of gas and oil involves both the application of existing technology and the creation of new technology. Application of existing technology would include such techniques as secondary and tertiary recovery from existing oilfields and greatly expanded exploration for new oil and gas reservoirs, particularly on the Outer Continental Shelf.

The undiscovered oil and gas on Federal lands and beneath our Outer Continental Shelf can provide a significant portion of the energy necessary to make us self-sufficient. The total U.S. offshore lands, including the Outer Continental Shelf, are estimated to contain 42 percent (160 billion barrels of oil equivalent) of the remaining discoverable oil and gas reserves in the United States. We are now increasing the acreage leased on the Outer Continental Shelf to 10 million acres beginning in 1975, more than tenfold what had been planned two years ago. In later years, the amount of acreage to be leased will be based on market needs and on industry's record of performance in exploring and developing leases.

In addition to the Outer Continental Shelf program, we will move rapidly to exploit our resources in Alaska. The Alaskan pipeline, when completed, will result in more than 2 million barrels of oil a day by 1980. This is equal to one-third of current U.S. oil imports. As important, approval of the Alaskan pipeline will encourage additional development of Alaskan fields. Projections indicate that the North Slope has potential reserves of as much as 80 billion barrels. Thus, eventually we could achieve an Alaskan production of between 5 and 6 million barrels a day.

Further, it has long been clear that while an Alaskan oil pipeline was needed, it alone will not be enough. In addition to the huge oil reserves in the North Slope of Alaska, there are also gas reserves there of at least 26 trillion cubic feet—enough to heat 10 million homes for 20 years. We are now working to determine the need for future Alaskan oil and gas pipeline capacity, including the best routes.

2. *Supplement oil and gas through development of coal and nuclear energy.*

In addition to these increased efforts in the oil and gas areas, we will move to develop coal and nuclear energy as alternatives. We can identify two separate approaches: direct substitution and coal conversion.

a. *Direct use of coal for oil and gas in industrial and utility applications.* Substitution requires research, since the main prob-

lem in burning coal is the environmental impact. We have a large program devoted to stack-gas cleanup, and there is every reason to expect this program will be successful, thus allowing us to substitute coal for a substantial amount of the oil and gas we now burn. Some have estimated that by 1985 we might save as much as 6 million barrels per day through direct substitution: 2 million barrels per day through direct replacement of oil under utility boilers, 1 million barrels per day in residential and commercial space heating (primarily through heat pumps), and 3 million barrels per day in industrial processes.

b. *Conversion of coal into liquids and gases.* Techniques for liquefying and gasifying coal are fairly well known. However, in general these methods are expensive and will require further development before they become commercially feasible. We are undertaking a crash program now, and we estimate that we might be able to replace as much as 3 million barrels per day of oil with synthetic fuels made from coal.

We thus visualize coal emerging as a very central element in our energy picture by 1985. There are some estimates that suggest that by then we shall have to mine as much as 1,500 or even 1,800 million tons of coal per year. This represents a tripling of our coal production.

c. *Expanding the use of nuclear energy* requires research on nuclear safety, waste disposal, siting of nuclear reactors, and thorium systems, as well as providing additional separative work capacity. Siting is also an important element of our nuclear strategy since, in the absence of a rational siting policy for nuclear reactors, the nuclear option may be jeopardized.

Long Range

All of these developments can take place in a relatively short-range time frame. Long range, our goal is to gradually transform the base of our energy system from the nonrenewable fossil fuels to nonfossil fuels, mainly nuclear, geothermal, and solar.

To accomplish this, we have provided substantial funds for energy research and development. Last June the President announced a $10 billion Federal program over the next five years, but he stressed that we would spend whatever additional sums that could reasonably be spent to accomplish our task. Last month the President announced that in fiscal year 1975—the first year of the five-year energy R. & D. program—the total Federal commitment for direct energy research and development will be increased to $1.8 billion, almost double the level of a year ago.

Our research will retain as much flexibility as possible. In the coal area, the challenge is to learn how to transform our different types of coal through a variety of processes into acceptable gaseous and liquid fuels suitable as substitutes and replacements for dwindling supplies of petroleum and gas. Thus, low-BTU gas, which is probably marginal in the short range, looms with high priority in the long range. And perfection of processes for coal hydrogenation leading to production of syncrude and syngas will be supported to the limit of scientific creativity.

Finally, nuclear energy holds the most importance for the long range, primarily because it gives mankind an essentially inexhaustible energy source, one that is relatively independent of mineral resource costs. At the present time the breeder reactor is the only nuclear technology that can be counted upon today to achieve the nuclear promise. Thus, research and development on other breeder reactor concepts (light water breeder, gas-cooled fast breeder, and molten salt breeder) will be supported and expanded to retain them as viable alternatives.

The Need for a World Response

All of this is, however, really only a part of Project Independence; it is our part. What we need now is to transform a U.S. commitment into a world response. What can we do together? As major consuming countries, we share the common problem of being dependent upon oil imports and of being concerned about the impact of rising costs of such imports. If we join together, however,

we can reduce our dependence upon one set of suppliers and stabilize the price that we pay for our oil. Here is what we can do:

Development of New Energy Sources

The first thing that we should consider are ways in which, cooperatively, we can develop alternative energy supplies. I have already described to you what we in the United States are doing. We must commence discussing immediately a program for cooperation in such fields as nuclear technology; coal extraction, liquefaction, and gasification; production of oil from shale and tar sands; development of solar and geothermal energy; and other fields. This program should explore the potential for sharing information, patents, and technical information. We should use this conference as the first step toward developing a program for doing this. Together, we can achieve more rapid development of alternative energy sources for each one of our countries. For instance:

a. *Nuclear Energy.* We are rapidly reaching the stage where we could be mass-producing floating nuclear power plants. Such power plants can be produced in quantity and floated to locations throughout the world to produce power rapidly. This is not a long-range concept, but something which could be initiated immediately. The technology, ideas, and production facilities of many nations can be combined in developing these plants. The technology of breeder reactors, for instance, appears to be more advanced in France and Britain since they are constructing prototype breeder-reactor-powered generating stations. Germany, Italy, and Japan have undertaken ambitious reactor development programs. All would benefit from an exchange of information. Certainly all countries should have a vital interest in pooling technical information which concerns the safety and environmental impact of reactor operation.

b. In addition, we should work together to encourage development of these relatively untapped but enormous sources of hydrocarbons: U.S. oil shale and the tar sands of Canada and Venezuela. All together, these three sources alone provide an enormous potential for recoverable oil. It is possible that by pooling our technical resources we can produce new energy from these three relatively untapped sources beginning in 1980.

c. *Coal.* Development of newer and better processes for coal conversion is in progress in a number of countries, especially in West Germany, England, and France. We all could benefit from this technology, and we should explore how we can pool our thinking and technology in this area as well as participate in joint cooperative programs.

Conservation

In addition to these joint efforts to develop energy supplies, we must work together to curb the explosive growth of energy demand. Conservation efforts and sacrifices must be shared equitably by all of us. We must pledge ourselves to a new world conservation ethic —to the adoption of parallel vigorous programs to conserve energy and promote its more efficient use. What I urge is that energy consumption in one country not simply be governed by the ability to obtain additional supplies at the cost of other consumer countries. Rather, there must be a basic commitment to share internationally available supplies at a reasonable level of consumption for all.

World Energy Data Bank

Finally, energy policy can only be adequately formulated if sufficient accurate data is available to each country. We must develop a world energy data bank and information-sharing arrangement to enable individual nations to set sound policy as well as full coordination of world energy policy. This would serve as a repository for public data now available but scattered and serve as a focal point for efforts to coordinate our respective national energy policies and adhere to a new code of market conduct.

A Future of Increased Cooperation

In closing, let us use this conference as the touchstone for a future of increased cooperation. Let us work toward an open system in which all those capable of finding,

developing, and marketing energy resources can have an opportunity to do so. Nationalization without prompt, adequate, and effective compensation by producing nations or unconstrained bilateral deals between producing and consuming governments will be counterproductive to all. Such bilateral arrangements will result in divisive competition which will inevitably work to the detriment of each individual buyer as well as the entire world.

We are facing a dramatically changing situation in the world energy scene.

The present unstable situation is not in the long-term interest of current oil exporters, although the short-term flow of wealth and political power may make it hard for them to see the long-term disadvantages. The world is reacting to high prices by reducing demand and will develop alternate sources of energy which in turn will lead to lower prices in the world market. Moreover, the shortrun actions of the oil exporters have made oil in the ground a relatively poor investment because its value will fall over the next decade. For example, using an 8 percent rate of return and a price of $10 per barrel in 1974, the price of a barrel of oil would have to rise to $21.59 by 1984 to produce the same rate of return. The present price levels present grave potential problems for all consuming nations. The oil-producing nations cannot benefit from price levels which result in unemployment and inflation in Europe and Japan and damage to the world economy as a whole. It is clearly in the best interests of the oil producers that the world economy maintain sound growth.

In the near term, prices lower than those being charged at present would be in the economic interest of both producers and consumers, particularly if consumers had confidence in the stability of supply. High-cost alternative sources would not then be encouraged to so great an extent, and producers could expect continued gradual increases in their national incomes as their economies developed the capacity to absorb increasing imports of capital and technology. Consumers now suffer from the effects of the sharp and sudden upswing in prices. Producers are likely to suffer at some later time from the downswing in prices caused by the market's strong reactions to present high prices.

Ideally, what is needed is a diversity of consumers and producers operating in a cooperative international framework. Recently we have seen some hopeful signs that oil producers are also interested in adjusting oil prices to assure a stable world economy. We should work cooperatively to see that this is done.

Together, we can prevent unemployment. Together, we can prevent a worldwide monetary crisis. Together, we can maintain economic progress.

I believe there is reason for optimism. We have the capacity and resources to meet our energy needs, and the United States stands ready and willing to help build a structure of international cooperation with producers and consumers alike.

STATEMENT BY TREASURY SECRETARY SHULTZ [1]

Finance officials have a duty to work closely together in the realization that even our best cooperative efforts will offset only a fraction of the serious damage which has been done to many countries by the abrupt and spectacular increases in oil costs.

At the same time we must carefully avoid creating the misleading impression that such cooperation provides any panacea for the serious economic problems before us. There is no international financial arrangement which can offset the real effects of the oil price changes. It is important that we not kid ourselves here—that we not, as Ministers of Finance, give the impression that somehow or other we can print up some money and use it to "paper over" very real problems.

The problems are there. There is no way to concoct a financial solution that will avoid facing up to severe dislocations and, I think, particularly for the developing countries—as has been brought out by many speakers here—great deprivation. In a sense we have that horrible chain in which the lack of fuel goes

[1] Outline released by the Department of the Treasury.

to a lack of fertilizer, goes to a lack of food, and which goes to starvation. So a point that I want to make is that, I think for many, the situation is not one in which we say to ourselves: "Yes, we see the problem. Let us understand it, and then figure out how somehow through financial means to handle it." It is for many not a manageable problem in its present state. And we have to see how it can be changed so that it is manageable.

We need to be concerned not only with the direct impact of higher prices and supply disturbances on our economies but also with the serious threat of secondary repercussions from instability in financial markets, from inconsistency in internal economic management and in balance of payments policies, and from impaired economic development. These are areas in which we can make a contribution—and why now more than ever we have an obligation to seek the optimum contribution from close international economic cooperation.

We have heard reports in this conference already that this year, and over the next few years, the standards of living of the more developed nations will be reduced significantly below previous expectations. In the short run, we are facing the problem of adjusting to reduced supply; and this has affected our immediate prospects for growth. But as this problem is met, our real income will continue to be affected both by the higher costs of energy imports and by the higher expenditures which nations will find it prudent to make in reaching reduced future dependence on imported energy. Nonetheless the standards of living of the nations here represented will remain a large multiple of those of some of the less favored nations.

In contrast, the effects of the oil price changes are likely to be near-catastrophic for some of the poor areas of the world. In some countries it is even probable that the new energy costs will result in a reduction of standards of living over the next few years from the present abysmally low level—to the point, in some cases, of starvation.

We have heard estimates that even after projected reductions in market prices of oil below present levels that the developed countries could have their combined current account deficits worsened by as much as $40 billion, the developing countries could have their current account deficits increased by as much as $10 billion, and the oil-producing nations could add as much as $50 billion to their foreign asset holdings—all in the one year, 1974.

In the face of such possibilities, I suggest that it would be in our mutual interest to agree on some basic principles on how we should respond in our economic policies, national and international. I put forward three principles for your consideration:

I. First, at a time of vast new uncertainty let us each recognize the need to develop internal policies that maintain our production and demand and deal with inflation without aggravating the problems of others. This will require not only particularly careful analysis but also particularly close international consultation and cooperation. In this connection, we know that the cost-push effects of oil prices reinforce the strong upward pressures on our price levels. Yet at the same time we need to recognize that the greatly increased cost of our oil imports could affect our economies as would a massive increase in taxes from which the revenues were not currently being spent. In this case, of course, this "tax" will be reflected in higher dollar imports rather than government revenues. But that import bill should not carry the same connotation or draw the same policy response that we usually associate with a deteriorating trade position. We must realistically take account of potential increases in exports to oil-producing countries and, more important quantitatively, the potential large availability—directly and indirectly—of flows of investment funds from the producing countries.

II. Second, in our international policies we must agree to keep open our markets for goods and capital and to avoid the temptation of competitive devaluations. No nation can impose trade restrictions and other "beggar-my-neighbor" policies without engendering retaliation, so that the whole process would be self-defeating and destructive. Now more

than ever, during a period when international adjustments will necessarily have to be large and rapid, governments must maintain momentum for the removal of existing distortions from the international economy. They must proceed resolutely with planned trade negotiations and with feasible further dismantling of capital controls. And they must agree to undertake special efforts to resist those pressures for the introduction of special-interest-serving government controls and interventions which are likely to be put forward during any time of rapid economic change.

III. Third, in our development policies we should endeavor at least to maintain recent levels of assistance to the most seriously disadvantaged nations and encourage oil-producing nations with rapidly increasing holdings of foreign assets to take immediate steps greatly to expand their programs of assistance for the least developed nations in full cooperation with industrial nations and international institutions.

In the light of the new burden of energy costs upon their economies and their balance of payments, it will not be easy to maintain a climate of opinion in the developed nations to maintain or increase past levels of assistance to the least developed nations. But in view of the extreme distress faced by some areas of the world and the economic and political consequences, it would be shortsighted and inhumane for the developed nations to curtail assistance plans and programs at this time of greatest need.

But even with continued assistance from the traditional providers of aid, the least developed nations are faced with a tremendous gap in needed resources. Some of the most important oil-producing nations—themselves moving rapidly from poverty to affluence and with natural understanding for the problem—can reasonably be called upon for a major contribution toward reducing that gap.

No channel of aid should be neglected. Increased assistance may be made available through direct country-by-country relationships, through new or already established regional institutions, and through increased contributions to the existing broad multilateral financial institutions. But in view of the extreme need and the weakened financial position of many of the least developed nations, it is essential that a substantial proportion of the increases in assistance be in the form either of outright grants or of their equivalent.

As we seek to incorporate these general principles into practical actions, I believe our work can be divided naturally into four broad areas of cooperation:

1. Measures to help insure that we maintain open markets.
2. Measures we can take to deal with or reduce the uncertainties inherent in the present situation—uncertainties related both to the extent of oil price increases and to the directions in which the flows of producing-country money, much of which will be short term, will be channeled.
3. Measures we can take to facilitate a larger portion of these funds to move into longer term investment in ways beneficial to both the investing and recipient nations.
4. Measures we can take to encourage and facilitate the flow of resources from oil-producing countries to LDC's, particularly the poorest of them.

I. *Measures To Maintain Open Markets*

The principle of avoiding restrictions on trade and payments that have the effect of transferring problems to others has wide support; the question is how we can reinforce that principle in practical institutional and operational terms.

The countries here represented include the largest trading nations. Should we not pledge among ourselves here and now to take no trade-restricting measures—surcharges, quotas, or their equivalent—for balance of payments purposes?

For the future we would be willing to consider new institutional means and procedures whereby we would pledge no trade-restricting action for balance of payments purposes

without prior discussion and approval by the IMF [International Monetary Fund].

II. *Measures for Dealing With Uncertainty*

A. We know *in the aggregate* the money spent for oil and not used for our exports will flow back, largely short term. But each country is left uncertain as to the size of its increased import bill and the directions which the reflow of investment money will take. Some countries may naturally attract more or less of this money than their increased balance of payments drain.

1. Much of this sorting out can take place in private markets and by official borrowing, where necessary, in private markets. Obviously the flows may take place through home markets or third markets, such as New York or the Euro-currency markets.

2. In sheer bulk, this is mainly a problem for developed countries. Because some LDC's may have special difficulties obtaining credit, different techniques will be necessary there.

B. One thing we can do is be sure private markets are sufficiently free to do the recycling job.

1. Removal of U.S. controls has opened the largest and most efficient capital market once more to the world. Other nations have made moves in the same direction. I believe the results will be beneficial.

2. In the present situation, part of our financial "ethic" should be to permit our nationals to borrow abroad, particularly for countries facing deficit. Conversely, potential surplus countries should permit funds to flow out.

C. Private borrowings, in some cases, will need to be supplemented by official borrowing. Our markets, the Euromarkets, and some others are open. But possibly a scramble for money and sharp pressures on one market or another could develop, in no one's interest. Therefore it may be worth considering at least informal and confidential exchanges of information about prospective borrowing operations among major nations. Then nations could act in the knowledge of each other's intentions and help avoid alternate periods of congestion and vacuums in money and capital markets that could in turn affect exchange markets.

D. At times, intergovernmental borrowing may be necessary and desirable, and a greater sense of certainty that such facilities would be available in time of need could be very useful—even if it turns out in the end that such facilities are not used heavily, or at all.

1. This is a classic purpose of IMF credits, and those lines fortunately are little used at present. Consequently, there is some spare capacity.

2. A further line of defense, which can readily be expanded, is central bank "swap" lines. We have indicated a willingness to do this, at least on a selective basis, and we would welcome discussion of the appropriate role and limits of such facilities.

3. Beyond these facilities, the question arises as to whether existing *international* institutional facilities need to be expanded and rearranged to deal with uncertainty about the direction in which funds will move and, if needed, rechannel funds to take care of balance of payments needs in short or medium term. As we understand it, the proposal made by Mr. Witteveen [Johannes Witteveen, Managing Director of the International Monetary Fund] falls into this category and has attracted most attention.

a. We feel it essential, in evaluating this proposal, to distinguish sharply the problem of uncertainty and the need for rechanneling potentially sizable amounts of money for limited terms among countries able to repay relatively promptly from the more severe (but quantitatively smaller) problem of the poor LDC's, which need grants and heavily concessional long-term aid.

b. Even among developed countries and more prosperous LDC's, a Witteveen-type proposal presents difficult technical and negotiating problems in deciding upon suitable terms. We await further elaboration of Mr. Witteveen's thoughts, and in particular how the risk of building up nominally short-term, but in fact unrepayable, credits can be handled. We intend to react constructively.

III. *Measures To Facilitate Orderly Longer Term Investment Patterns*

A. Removal of restraints on longer term investment is equally relevant.

B. Given the vast flow of potential investment, serious and difficult questions arise in the minds of both investors and recipients that may hamper flows.

1. The investor wants and needs the widest possible diversity of outlets (i.e., open capital markets), professional investment management, and confidence that his investments are secure from political action by recipients.

2. The recipient wants to have some assurance that investments will not be managed for political purposes, and the prospect of reasonable stability in flows.

C. I have no specific proposal in this area. However, I raise for discussion one question: Should we consider a new international investment institution, a kind of multinational joint venture with participation in management by both investor and recipient nations, as a means of helping to satisfy the concerns I have cited? An essential aim of the institution would be to achieve a diversity of profitable investment outlets, with expert investment management, for the producers. At the same time the multilateral umbrella might help put to rest mutual fears of political reprisals, thus encouraging recipient countries to permit larger amounts of investment and encouraging investor countries to commit sizable funds for extended periods.

Obviously, in managing such an institution, the investing countries would legitimately maintain control over some basic decisions concerning the volume and distribution of the funds. Many complex organizational problems would arise. Are they worth discussion?

D. We might exercise our collective imagination to devise other means of better assuring the safety and stability of investments.

An international investment guarantee agency has been discussed at length in the past, fruitlessly. But now the problem appears in another guise, and fresh thinking with the producers may be desirable.

The United States earlier advanced the concept of an "investment fund" for countries with large official pools of investment money. This concept rested on an essentially simple "code of conduct" or "rule of the road." A recipient country would be entitled to know how much investment of what type was being made by other governments in its currency and to limit the aggregate amount of that investment. But having agreed to that investment, it would also agree to treat that investment in a nondiscriminatory manner.

These questions might well serve as the basis for further international study.

IV. *Measures To Encourage the Flow of Resources From Oil-Producing Nations to the Less Developed Countries*

—The LDC's pose a special problem. The prospects of the poor nations, even before the quadrupling of oil prices, were marginal at best. To all, it must be clear that for some of the poorest nations oil prices at current levels spell misery and even starvation.

—A transfer of resources cannot be done by one group of countries alone. The industrial nations must continue to provide their historical levels of assistance or better. This will not be easy in the face of growing concern about the domestic impact of the energy crisis. Our Congress has illustrated its sensitivity to this problem in its first vote on the IDA replenishment. We do not mean to let that vote stand as the final word.

I say to you quite frankly that the vote in our House of Representatives a couple of weeks ago on the fourth IDA replenishment (IDA IV) was a great disappointment to us and we do not intend to let it stand. We intend to work to turn that around and to maintain the flow of development aid from the United States to the developing countries. We must meet the argument that all we are doing is paying out aid for the developing countries to flow back to the Arab countries and only support the price of oil. That is the

argument used against development aid, and we think there are good arguments against it, and we intend to use them and use them aggressively.

—At the same time industrial nations cannot be expected to pay for the cost of increased oil bills to LDC's. That responsibility must fall primarily on the oil producers.

—But the industrialized nations can and must cooperate with producers to facilitate the required flows from producers.

The United States would be pleased to join in studying concrete proposals to bring about this goal and believes the following items might usefully be included on a study agenda:

1. Assuring that the oil producers play a full role as members or associate members of development organizations, including the Development Assistance Committee and regional economic institutions as well as the World Bank and the IMF. In view of their increased economic standing and the greater financial responsibility they are being asked to assume, a prompt provision of larger voting shares in the latter two institutions may be appropriate.

2. Encouraging greater participation in management and staff roles in these organizations by producer nations would also seem appropriate.

3. Expansion of the World Bank and the IMF services as agents to the producer countries for loans to the LDC's: These services can include participation in conventional loans and in concessional financing. A direct contribution to, or alongside, IDA IV would be extremely helpful. Our existing institutions, as well as national governments, can also provide direct technical assistance to bilateral and regional assistance programs of producers to achieve a high level of assistance as rapidly as possible.

4. A larger producer share in planned world and regional bank borrowings: These institutions, instead of floating issues on the world capital markets, would offer bonds at reasonable rates to oil-producer nations.

5. A rechanneling of loans from existing oil-producer loan recipients—who now have more funds than they can absorb domestically—to the poor nations. Newly affluent countries can afford prepayment of past loans and should be less dependent on new loans. The potential for a rechanneling of loans in these ways is substantial.

6. Beyond the redirection of planned borrowing, the World Bank already has guarantee capital sufficient to permit larger lending and larger borrowing in producers' markets. Lending from ordinary capital raised in this manner could be appropriate for some LDC's, who can afford to pay loans at near-market rates provided the repayment terms are long.

I must stress that almost all of the above measures involve loans—not grants, near-grants, or heavily concessional terms. The poorest nations require a major direct effort to offset the devastating impact of higher oil prices. The offset must come first in the form of lower prices and then from grant aid. Industrial nations can and must be expected to contribute in historical levels of money, institutional expertise, and technology to mix with Arab funds in providing the tools to help these poorest nations do the job.

This, then, brings me back to where I started. In a way, the problem is a large one, as everyone tells each other. Cooperation is essential, as everyone tells each other; but at the same time I think we still need to keep reminding each other that cooperation, handling things with a sense of balance, financially, is not a substitute for changing the problem so that the problem is more manageable. There is no way to print up money and use it to "paper over" a real problem. We must face the real problem in its own terms and do everything we can to solve it.

TEXT OF COMMUNIQUE

Washington Energy Conference doc. 17 (rev. 2)

Summary Statement

1. Foreign Ministers of Belgium, Canada, Denmark, France, the Federal Republic of Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, Norway, the United Kingdom, the United States met

in Washington from February 11 to 13, 1974. The European Community was represented as such by the President of the Council and the President of the Commission. Finance Ministers, Ministers with responsibility for Energy Affairs, Economic Affairs and Science and Technology Affairs also took part in the meeting. The Secretary General of the OECD also participated in the meeting. The Ministers examined the international energy situation and its implications and charted a course of actions to meet this challenge which requires constructive and comprehensive solutions. To this end they agreed on specific steps to provide for effective international cooperation. The Ministers affirmed that solutions to the world's energy problem should be sought in consultation with producer countries and other consumers.

Analysis of the Situation

2. They noted that during the past three decades progress in improving productivity and standards of living was greatly facilitated by the ready availability of increasing supplies of energy at fairly stable prices. They recognized that the problem of meeting growing demand existed before the current situation and that the needs of the world economy for increased energy supplies require positive long-term solutions.

3. They concluded that the current energy situation results from an intensification of these underlying factors and from political developments.

4. They reviewed the problems created by the large rise in oil prices and agreed with the serious concern expressed by the International Monetary Fund's Committee of Twenty at its recent Rome meeting over the abrupt and significant changes in prospect for the world balance of payments structure.

5. They agreed that present petroleum prices presented the structure of world trade and finance with an unprecedented situation. They recognized that none of the consuming countries could hope to insulate itself from these developments, or expect to deal with the payments impact of oil prices by the adoption of monetary or trade measures alone. In their view, the present situation, if continued, could lead to a serious deterioration in income and employment, intensify inflationary pressures, and endanger the welfare of nations. They believed that financial measures by themselves will not be able to deal with the strains of the current situation.

6. They expressed their particular concern about the consequences of the situation for the developing countries and recognized the need for efforts by the entire international community to resolve this problem. At current oil prices the additional energy costs for developing countries will cause a serious setback to the prospect for economic development of these countries.

7. *General Conclusions.* They affirmed, that, in the pursuit of national policies, whether in trade, monetary or energy fields, efforts should be made to harmonize the interests of each country on the one hand and the maintenance of the world economic system on the other. Concerted international cooperation between all the countries concerned including oil producing countries could help to accelerate an improvement in the supply and demand situation, ameliorate the adverse economic consequences of the existing situation and lay the groundwork for a more equitable and stable international energy relationship.

8. They felt that these considerations taken as a whole made it essential that there should be a substantial increase of international cooperation in all fields. Each participant in the Conference stated its firm intention to do its utmost to contribute to such an aim, in close cooperation both with the other consumer countries and with the producer countries.

9. They concurred in the need for a comprehensive action program to deal with all facets of the world energy situation by cooperative measures. In so doing they will build on the work of the OECD. They recognized that they may wish to invite, as appropriate, other countries to join with them in these efforts. Such an action program of international cooperation would include, as appropriate, the sharing of means and efforts, while concerting national policies, in such areas as:

—The conservation of energy and restraint of demand.

—A system of allocating oil supplies in times of emergency and severe shortages.

—The acceleration of development of additional energy sources so as to diversify energy supplies.

—The acceleration of energy research and development programs through international cooperative efforts.[2]

10. With respect to monetary and economic questions, they decided to intensify their cooperation and to give impetus to the work being undertaken in the IMF, the World Bank and the OECD on the economic and monetary consequences of the current energy situation, in particular to deal with balance of payments disequilibria. They agreed that:

—In dealing with the balance of payments impact of oil prices they stressed the importance of avoiding competitive depreciation and the escalation of restrictions on trade and payments or disruptive actions in external borrowing.* [3]

—While financial cooperation can only partially alleviate the problems which have recently arisen for the international economic system, they will intensify work on short-term financial measures and possible longer-term mechanisms to reinforce existing official and market credit facilities.*

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[2] France does not accept point 9. [Footnote in original.]

[3] In point 10, France does not accept paragraphs cited with asterisks. [Footnote in original.]

—They will pursue domestic economic policies which will reduce as much as possible the difficulties resulting from the current energy cost levels.* [3]

—They will make strenuous efforts to maintain and enlarge the flow of development aid bilaterally and through multilateral institutions, on the basis of international solidarity embracing all countries with appropriate resources.

11. Further, they have agreed to accelerate wherever practicable their own national programs of new energy sources and technology which will help the overall world-wide supply and demand situation.

12. They agreed to examine in detail the role of international oil companies.

13. They stressed the continued importance of maintaining and improving the natural environment as part of developing energy sources and agreed to make this an important goal of their activity.

14. They further agreed that there was need to develop a cooperative multilateral relationship with producing countries, and other consuming countries that takes into account the long-term interests of all. They are ready to exchange technical information with these countries on the problem of stabilizing energy supplies with regard to quantity and prices.

15. They welcomed the initiatives in the UN to deal with the larger issues of energy and primary products at a world-wide level and in particular for a special session of the UN General Assembly.

Establishment of Follow-on Machinery

16. They agreed to establish a coordinating group headed by senior officials to direct and to coordinate the development of the actions referred to above. The coordinating group shall decide how best to organize its work. It should:

—Monitor and give focus to the tasks that might be addressed in existing organizations;

—Establish such *ad hoc* working groups as may be necessary to undertake tasks for which there are presently no suitable bodies;

—Direct preparations of a conference of consumer and producer countries which will be held at the earliest possible opportunity and which, if necessary, will be preceded by a further meeting of consumer countries.[4]

17. They agreed that the preparations for such meetings should involve consultations with developing countries and other consumer and producer countries.[4]

[3] In point 10, France does not accept paragraphs cited with asterisks. [Footnote in original.]

[4] France does not accept points 16 and 17. [Footnote in original.]

National Port Week, 1974

A PROCLAMATION[1]

In providing services to promote the expansion of United States exports, our commercial ocean and inland ports play a central role in improving our balance of trade. The building of World Trade Centers in several ports and the establishment of trade promotion offices in major manufacturing areas are among the methods employed by United States ports to encourage export expansion.

Over 1.6 billion tons of commerce in our foreign and domestic waterborne trades moved through our port gateways in 1972. The foreign portion of this total was valued at more than $47 billion. The many and varied port handling activities required to service this vast trade volume alone generate about $30 billion in direct dollar income to local and regional economies served by United States ports. This amount serves to stimulate an even greater economic chain of indirect revenues as these dollars are spent throughout the national economy.

Other statistics also help to demonstrate the central role of port facilities in the American economy. Public and private port interests have invested over $5 billion in cargo handling facilities since the end of World War II. Port-generated activities now provide employment for well over 1.2 million people—accounting for about $12 billion in wages each year. A total of over $32 billion a year is being poured into the American economy directly and indirectly by waterfront activities in our national port system.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, in order to remind Americans of the importance of the port industry of the United States to our national life, do hereby designate the week beginning on the last Sunday in September as National Port Week. I ask that public attention be directed to the important role our Nation's ports play in the American economy through appropriate activities and ceremonies. I also ask that all ships in United States ports during that week dress ship in tribute to our port industry.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of February, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred and ninety-eighth.

[1] No. 4265; 39 *Fed. Reg.* 4867.

Secretary Kissinger's News Conference of February 13

Press release 50 dated February 13

Secretary Kissinger: I am assuming that those of you who have written constructive articles during the week have received copies of the communique. [Laughter.]

Let me make a few observations and then answer your questions.

The basic approach that led to this conference has been outlined in the speech that I gave to the Pilgrims in London in December. It was based on the assumption, on our conviction, that the world was facing a problem that had come upon it—at least in the dimensions in which we faced it—somewhat unexpectedly. And in a situation of seeming supply shortages there was a tendency to react with panic, produced in part by lack of information, and with a sense that perhaps the control over our destiny had escaped us.

To this supply shortage was added at the end of December the serious problem of the rapid escalation of prices.

The United States holds the view that the problem that has been produced by these two phenomena—the demand, at least for a while, outrunning supply and the rapid increase of prices—can be solved only on a global basis and by multilateral action.

We hold this view not to vindicate any particular theory of the organization of the world. We have not advocated institutions simply to create institutions. We were convinced, and remain convinced, that it is a problem of global nature incapable of isolated solution and indeed a problem *par excellence* in which the general interest is identical with the individual interest.

For this reason the United States proposed at the opening session of this conference a seven-point program in which we offered to share technology, resources, and supplies as our contribution to a world cooperative system.

We do not conceive that this initial meeting of consumers should lead to a confrontation between consumers and producers. Indeed, if what I said earlier about the general interest being identical with the particular interest is true, then in its ultimate sense there is no difference, there is no incompatibility of interests, between the consumers and the producers.

During the conference, Mr. [William] Simon presented an analysis in which he attempted to show, and demonstrated I think quite conclusively, that a barrel of oil at a certain price—which would then be invested at compound interest over a 10-year period—that that price would have to more than double if production were to be withheld and the same income were to be achieved 10 years from now.

And if that analysis is correct, then I believe that a well-prepared meeting of consumers and producers can establish a framework of analysis in which a discussion about the nature of a fair price can take place in a much less emotional and in a much more balanced atmosphere.

Now, as you know from the briefings that went on throughout the conference, there was some debate about the nature of followup machinery and how one should prepare for a meeting of consumers and producers, the desirability of which everyone accepted. The conference, with one negative vote, agreed on the establishment of a followup machinery that would correlate the efforts already going on in international institutions, that would establish ad hoc working groups that might be needed, and that would direct preparations of a conference of consumer and pro-

ducer countries, if necessary with a prior meeting of consumer countries to review the work that is going on in these various bodies.

So we believe that a cooperative framework for dealing with the energy crisis has been established. We are grateful for the cooperation of the participants, and we believe that what has been established is a recognition not only of the importance of dealing with this particular problem on a cooperative basis but that maybe a contribution has been made to a general attitude of dealing with world problems cooperatively.

With this as a background, let me now take your questions about the communique or any aspect of the conference.

Q. Mr. Secretary, what, at this point, would be the point of—what are the prospects for another private meeting of consuming nations, now that this group has concluded its meeting?

Secretary Kissinger: Whether another meeting of consumer nations should be held will be determined through the work of the coordinating group that has been set up as a result of this meeting. This coordinating group, which will be composed of senior foreign office officials and other senior officials, will first of all attempt to give focus to the work that is going on in existing institutions—OECD [Organization for Economic Cooperation and Development], World Bank, IMF [International Monetary Fund], and similar institutions. It will establish, as I pointed out, ad hoc working groups that may be necessary to undertake tasks for which there are at present no suitable bodies.

I don't think we can decide until this working group has been in existence for some weeks whether another meeting of consumer nations, perhaps including those from less developed countries, is necessary to assess the work of the coordinating group or whether the work of the coordinating group is in itself a sufficient basis to go to a consumer-producer conference.

Our view about a consumer-producer conference is that it will be productive only to the extent that there is careful, detailed preparation. We are not dogmatic about the need for another ministerial conference. We do believe very strongly that there is a need for follow-on work, and that need has been recognized by the conference that met here.

Q. Mr. Secretary, what is your view on having representatives from the producing nations sitting in with the coordinating group to prepare for the later conference?

Secretary Kissinger: Well, there are two problems, at least, in the work of the coordinating group. One is to analyze and to give impetus to certain types of activities which are enumerated in the communique, such as conservation of energy, a system of allocating oil supplies, acceleration of the development of additional energy sources, acceleration of energy research and development. Also the need to find financial mechanisms to deal with some of the problems produced by higher prices. That work of the coordinating group seems to us to be primarily confined to the countries that participated in this conference and countries with similar problems.

As far as the preparations for the producer meeting are concerned, I think an early consultation with representatives from producer nations would be appropriate.

Q. Mr. Secretary, did French opposition at the conference here run deeper than you had originally expected, and what effects do you believe the divisions that occurred here within the European Common Market will have on the future of the Atlantic alliance and on your desire to reach some declarations with the European Community?

Secretary Kissinger: The French views were reasonably well known, at least in the two weeks or so prior to the conference. And therefore they were not unexpected.

The impact of these views on the conference was, I believe, reflected in the vote of the conference, which was unanimous on all of these points, with one exception.

As far as the future of the Atlantic alliance is concerned and the future of our European-American relations and European unity, the United States considers the Atlantic rela-

tionship the pivot of its foreign policy. Our efforts during the last year have been directed toward strengthening that relationship.

The fact that there are some differences of view between us and France on how this Atlantic relationship should be strengthened should not obscure the central importance we attach to it nor our recognition that friendship with all European countries, including France, is essential for the security of all of the nations of the Atlantic alliance.

So as far as the United States is concerned, the difficulties that existed in the last few days, which are inseparable from any conclave of free nations, do not affect the relationship in the Atlantic alliance and indeed will probably have strengthened it.

Within the European Community, I believe the various countries should speak for themselves. But certainly there were many expressions that the work of the European Community must go on. And of course the United States has always strongly supported European economic and political unity and continues to support it.

Q. Mr. Secretary, the French seem to have thought—it may not have been the intent—but one of the possible objections to an ad hoc machinery to deal with this problem will be an American supremacy and possibly American policies impinging upon Europe. What arguments were you able to use against this suspicion, and do you think there is any justification for it?

Secretary Kissinger: I have tried to explain that a properly conceived solution to this problem cannot be either American or British or French or Japanese, or any national solution. We are, as I said in my opening speech, in a better position to deal with the problem on a national basis. Nevertheless, if we deal with the problem on a purely national basis, the end result will be a loss of—a blow to the world economy and a blow to the structure of international relations from which, in the medium term, we would suffer severely ourselves.

Therefore it is not in our interests, nor is it our intention, to establish a particular American point of view with respect to the energy problem; nor do I know exactly what a purely American point of view with respect to the energy problem would be.

Throughout the conference our position was not to turn this into an issue between the United States and France. And through most of the meetings the chief arguments were between France and the other European countries, rather than between France and the United States. And insofar as our point of view prevailed, it was because we presented arguments which we believed to be in the general interest.

I want to repeat again: We do not consider ourselves in a confrontation with France. I have read rather extreme articles in the European press about a divorce between the United States and France. This is absolutely not the American point of view, and it is not the basis on which to build future relationships.

Q. Mr. Secretary, what justification is there for Mr. Jobert's statement, on this podium, that France came here expecting to talk about energy and instead found themselves in a political meeting?

Secretary Kissinger: I of course did not have the privilege of listening to my friend Jobert, who has a tendency to express himself in very Cartesian and sometimes extremely precise language. If political issues were raised at the meeting, it was due to the difficulty that for a while the European Community attempted to take a common position and then, in its inability to reach a common position, had to decide whether to operate as a group of individual nations.

As far as the United States is concerned, our declarations are a matter of public record, and we did not introduce any political elements—except of course when Foreign Ministers meet, that in itself is a political event. So I cannot agree with my colleague and friend Michel Jobert.

Q. Mr. Secretary, to follow a previous question, if the problem is global and it can

only be solved internationally, why did you feel you had to have a separate energy conference rather than working through existing international organizations?

Secretary Kissinger: There's no existing international organization that is dealing with the energy problem on the comprehensive basis that we have put before the conference. There are bits and pieces of it that are dealt with in particular organizations. We have specifically affirmed our readiness, and the conference has affirmed its readiness, to cooperate with those institutions that are now working on the problem and indeed to use them for the analyses and studies that are foreseen as a result of this conference.

This particular group of nations invited here represented the high level energy group of the OECD. This in turn was composed of the nations that represent 85 percent of the energy imports in the world. To this group was added the members of the European Community who are not members of the high level energy committee. And therefore probably the percentage figure I gave to you is in fact, by a few percentage points, higher.

It seemed to us important that the consuming nations first understand the nature of the problem and the range of possible remedies before there is a general conference with the producers. And this was the logic behind the conference.

Q. Mr. Secretary, what do the results of this conference mean in terms of the future of lower prices around the world?

Secretary Kissinger: That is of course not easy to predict. The results of this conference, if they are followed up in the spirit in which the conference was concluded, should enable the consumers to get a much better understanding of what they are facing, and it should enable them to come to a conference with the producers with the ability to put before the producers their best judgment of the long-term interests of both consumers and producers. I think there's a general agreement that prices for oil were too low prior to September 1973. I think there is also a general agreement among the nations represented here, and also in the Committee of Twenty that met in January, that prices now are too high. Now, what a fair price is of course has to take into account the needs of both consumers and producers. The needs of the producers are for a source of long-term income; and the need of the consumers is a source of assured supply.

The technical studies that were prepared with great meticulousness by the American delegation, and which, in a preliminary form at least, seemed to be accepted by most of the delegates here—though they will have to be looked at further—would seem to indicate that it is possible to arrive at a definition of fairness that takes into account both of these interests. That would be lower than the existing prices but considerably higher than September prices.

How this will be arrived at we will have to leave to the evolution of the machinery foreseen here and future conferences.

Q. Mr. Secretary, I wonder if you could spell out for us what in your opinion are the most concrete accomplishments of this conference; and also will you concede that there are any disappointments?

Secretary Kissinger: The conference achieved in terms of machinery and in terms of definition of the objective substantially what we had thought in our preliminary deliberations should be achieved. In this sense we consider it a success. The chief results were that there was an agreed analysis of the problem and in paragraphs 9 through 17 a series of concrete measures or directions that require exploration—all of them together with the establishment of machinery of how to implement it.

There was a pervasive conviction that purely national efforts were not adequate, that therefore the efforts of all the nations represented here had to be concerted.

At the same time, of course, a great deal depends now whether the spirit reflected in this communique can be sustained in the follow-on work. The United States will make a major effort both in contributing to the

work of the follow-on groups as well as in implementing the offers that were made in the various speeches to give concrete content to what has been accomplished.

I could not list a major disappointment, because it substantially reflects our conception.

Q. Mr. Secretary, when will the coordinating group meet, where will it meet, is there a chairman pro tem, and who will represent the United States in the coordinating group?

Secretary Kissinger: We will probably take the initiative in convening the coordinating group. We are openminded about its location. And we believe that once the coordinating group has been convened it should establish its own internal organization. In other words, we do not insist on the chairmanship of this coordinating group.

We believe that it should meet as soon as possible, which is commensurate with the importance of the problem. And the United States will be, in all probability, represented by Under Secretary [for Security Assistance William H.] Donaldson and Mr. Simon and other officials that may be needed, depending on the subject matter.

Q. Mr. Secretary, did you or your colleagues during the session produce further details about the plan for sharing either conventional energy or nuclear energy beyond the outline given in the seven points?

Secretary Kissinger: The United States was prepared to present to the conference in greater detail elaborations of each of the seven points that was made. As it turned out, a great deal of the time of the conference had to be spent on the procedural issues and on the negotiations leading to the communique. The United States, however, will be prepared to make concrete proposals in the follow-on groups in all of the areas in which it did not have an opportunity to follow on here.

We did make concrete proposals on financial mechanisms and a rather detailed analysis of the substance of the issue. But we had foreseen that some working groups might be established already while the conference met here. While they met, they did not have the time to report back to the conference due to the amount of energy that had to be expended on the communique.

Q. What subjects were represented? And will other information be made public now that they have been presented to the conference?

Secretary Kissinger: We haven't made a decision on this, but in principle I see no objection to it.

Q. Mr. Secretary, what does it mean that France will not accept the followup procedures? Will France nevertheless participate in the subsequent conferences? And will France participate in any of the working groups?

Secretary Kissinger: My impression is that France will certainly participate in the consumer or producer meetings. France did not express itself, in my hearing at least, as to what its attitude will be about participation in the working groups. I think that is a question that can be more appropriately answered by France.

I believe, however, that as time goes on it will be seen by all the countries concerned that this is not a political issue but an issue of world stability and world cooperation.

Q. Mr. Secretary, what is your reaction—

Secretary Kissinger: I can't see anybody behind the light.

Q. What is your reaction concerning the events concerning [Alexander] Solzhenitsyn?

Secretary Kissinger: Can we save questions on matters not connected with energy? I'll take this later.

Q. Mr. Secretary, could you give us your reaction to the cancellation of the Tripoli meeting, and whether or not you now feel that perhaps your hopes about an early end to the oil boycott might be premature?

Secretary Kissinger: I don't know whether the Tripoli meeting was canceled or postponed, and therefore I don't want to express

any views on its significance. Our statements were based on the best judgments, based on the best information we then had available; and events will have to determine whether these expectations will materialize.

Q. Mr. Secretary, you spoke in your earlier remarks to the conference, and Mr. [Walter] Scheel did also, about the need for codes of conduct to govern the bilateral agreements that various countries are making with the producer countries; but there's no mention of this in the communique. I was wondering whether you could give us your opinion about where these bilateral agreements stand now and what determination was made by the conference on the wisdom of having them or not.

Secretary Kissinger: Well, again, I want to stress that to us this is not an issue of principle; this is an issue of our analysis of the situation. Obviously most of world trade flows in bilateral channels, and we are not opposed to the fact that deals will be made on a bilateral basis. In fact, it is inevitable that many of the arrangements will be made on a bilateral basis. What we believe is going to be disastrous for the world economy is if bilateral deals are made unconstrained by any general rules of conduct, because we believe that this will either stabilize prices at too high a level or bid prices up even higher and in general create a relationship among the major consuming nations of economic warfare—which inevitably will affect, in time, their political relationship.

Within such a framework and in the long term, the producers will also suffer from the weakening of the world economy, which will be the inevitable result of such types of activity.

We therefore believe that this is an issue that is still before the nations that were at this conference; and it can be discussed in the coordinating committee as one of the goals that consumers will reach.

Q. Mr. Secretary, are you still holding to your previous deadline of May 1 for conclusion of the consumer conference?

Secretary Kissinger: Our belief is that this is a reasonable deadline, but I think one can form a better judgment on that after the coordinating group has begun its work.

Q. Mr. Secretary, I presume that according to paragraph 15 of the communique the U.S. Government will answer in the affirmative to the special meeting of the General Assembly of the United Nations. If this special meeting takes place, don't you see some possible contradictions between the future work of the organization created by this special meeting of the United Nations and the coordinating group?

Secretary Kissinger: Well, our view has been that a meeting between consumers and producers, to be effective, requires very careful preparation on the part of the consumers and, for that matter, between consumers and producers, before they actually meet. We do not believe that a United Nations meeting will serve that particular purpose. A United Nations meeting will be useful—can make a contribution to expressing the general attitudes of the participating nations and to clarify particular points of view. We do not believe that it will solve the particular problems to which this conference was addressed or to which the follow-on activities of this conference are addressed.

Q. Mr. Secretary, the question has been raised whether, had this conference been better prepared, had one taken more time with it, some of the problems that arose would not have arisen. What is your feeling about that?

Secretary Kissinger: We believe that this conference was extremely carefully prepared over a period of six weeks. The agenda items were distributed many weeks in advance. The Ambassadors of the countries concerned, and the governments of the countries concerned, were carefully briefed. Several governments had been in touch with us through senior officials. And as it turned out, we did not have an opportunity to present even a fraction of the work that had been done on our side to the work of the conference.

I believe that the disagreements that arose at this conference were due to certain differ-

ences of philosophic perspective about the purposes of the conference, which I believe were eased to some extent through the conference. But preparation was not the issue.

Sometimes there are disagreements not because people do not understand each other but because they understand each other only too well. [Laughter.]

Q. Mr. Secretary, may we move on to that second phase? Solzhenitsyn?

Secretary Kissinger: Let's say I'll take two more questions on energy and then we'll move on to the next phase.

Q. Mr. Secretary—

Secretary Kissinger: Yes.

Q. —what is your reaction to European plans for increasing negotiations with the Arab countries en bloc?

Secretary Kissinger: We have no objection to the Europeans negotiating as a unit. We have a general view about bilateral arrangements that do not follow general rules of conduct, but these two objectives can be reconciled. And secondly, of course we have a general interest—as does Europe—in political contacts that may occur that may contribute, or not, to the evolution of peace in the Middle East.

I'll take one more question—yes—on energy.

Q. Mr. Secretary, keeping in mind the points which we agreed upon at this conference—such as sharing of resources and technology—what would be the effect or the impact on the U.S. acceptance of something in the area of the Charter of Economic Rights and Duties?

Secretary Kissinger: You mean the Mexican charter?

Q. Yes. Considering that you have agreed upon so many points which are in the area.

Secretary Kissinger: I'm going to be in Mexico in two weeks, and I'm going to save my answer for that occasion. But the United States expressed its views on President Echeverría's idea on the Charter of Economic Rights and Duties in my speech at the General Assembly. Our view is that the concept is useful and that we are prepared to cooperate with elaborating a charter that spells out the rights and obligations of all countries—of developed, as well as developing, countries. So we find the concept useful, and we will have to see now what can be negotiated in the forums that are open. And there is a negotiation on it going on now in Geneva.

Now, on Solzhenitsyn: The United States has always looked with sympathy and great appreciation on the expression of freedom of thought in all societies. We have regretted some of the manifestations that interrupt this.

We do not know enough about the specific circumstances of the departure of Mr. Solzhenitsyn. And the only problem that we have seen here is the extent to which our human, moral, and intellectual concern for Solzhenitsyn and people of similar convictions should affect the day-to-day conduct of our foreign policy. In any event, we are delighted that Solzhenitsyn is not in some of the difficulties that were feared yesterday.

Q. To follow that up, Mr. Secretary, would Mr. Solzhenitsyn be welcome in the United States if he sought to reside here?

Secretary Kissinger: He would certainly be welcome to reside in the United States if he desired.

Q. How would this affect détente?

Secretary Kissinger: Our constant view has been that the necessity for détente, as we conceive it, does not reflect approbation of the Soviet domestic structure. The necessity of détente is produced by the unacceptability of general nuclear war under present conditions. The accumulation of nuclear arms has to be constrained if mankind is not to destroy itself.

This is a question that will be before humanity under all circumstances, and before American governments, as long as the accumulation of nuclear arms continues. So the United States will pursue a policy to reduce

the dangers of war, to increase the possibilities of peace, and to limit the danger of nuclear conflict.

Q. Sir, do you think Mr. Solzhenitsyn is really better off today than he was yesterday with his wife still in the Soviet Union?

Secretary Kissinger: I cannot judge to what extent his wife will be kept in the Soviet Union, and I don't think it would be helpful to make a final judgment until all the circumstances can be more clearly seen.

The press: Thank you, Mr. Secretary.

President Nixon Honors Energy Conference Representatives at White House Dinner

Following is an exchange of toasts between President Nixon and Walter Scheel, Federal German Foreign Minister and President of the Council of Ministers of the European Communities, at a dinner at the White House on February 11.

Weekly Compilation of Presidential Documents dated February 18

PRESIDENT NIXON

Gentlemen and Miss Ray [Dixy Lee Ray, Chairman, Atomic Energy Commission]: It is for all of us in this house a very great honor to have such a distinguished company on this occasion.

And as I welcome the Foreign Ministers of the 12 nations that are represented at this conference, as well as the Finance Ministers and other Ministers of Economic Affairs, I want you to know that we are privileged to have you here again. Most of you have been here before, when either the heads of government or heads of state have visited the United States.

In speaking to you today, I am not going to get into some of the technical matters that I understand have been covered at rather considerable length in your discussions earlier in the day.

I thought that perhaps it would be more useful for this distinguished company if I were to speak to you not simply in terms of the energy problem, which very properly has been the subject of primary discussion, but to put that problem in a larger context of the world in which we live and the other problems which we face to which that, of course, is very, very closely related.

I think everybody in this room is aware of the fact that we are here at what I would call a watershed of world history. We are here at a time when we have seen the conclusion of a very long and difficult war in which the United States was involved in Viet-Nam, a time when we have seen the beginnings toward movement, toward what we hope would be not just a temporary but a permanent peace in the Mideast.

Also over the past few years during the time that I have been in this office and during the time that most of you have been in the offices you hold, we have seen the whole world change. Not only the United States but other free-world nations have opened a new dialogue with the Soviet Union and with the People's Republic of China.

We have also seen that at the present time, as a result of that dialogue, negotiations are taking place that no one would have predicted three or four years ago—negotiations with regard to the reduction of forces in Europe, negotiations insofar as the European Security Conference is concerned, negotiations which are taking place between the United States and the Soviet Union in the field of limiting nuclear arms.

When we look at this record and of all of the events that have come together before

this day on which we meet, we realize that the world now faces an unprecedented challenge. That has probably been said before at other times in the world's history, but probably it has never been so true, certainly not so true since World War II than today. And that challenge is to build a world of peace, not simply a peace that is an interlude between wars, but a peace that has a chance to be permanent.

I would not suggest to this sophisticated group that building that peace and keeping that peace will be easy. We all know the complex situation in the Middle East, and all of us will be working toward a solution that will be permanent and just and fair to all concerned. We all know that in the relations between the great powers and the smaller powers, between what is known as the Communist world and the free world, that one must never assume that simply because negotiations are taking place that confrontation may not later occur.

On the other hand, I think that we can say that because we are living in an era of negotiation rather than confrontation where the free world and the Communist world is concerned, because we have seen the end of those wars, small though they were but very painful they also were, which plagued us for the past generation—although that has happened, we realize that in order to build the peace and to keep it, that it is essential that we maintain the strength and the unity that brought us where we are.

Having spoken in that particular area, the area of security, let me now relate it to the other areas with which this conference is more closely identified, the area of economics or, should I say, of the whole field of not only how do we have peace in the terms of simply absence of war but how do we have peace in which we build an era of progress for all of our people—the people of the free nations and, for that matter, of the Communist nations of the world.

It is this challenge that confronts us today.

I would like to speak quite directly to this audience with regard to what I see in the world and what I see in the United States as we face this challenge.

We must examine what is a truism, I would say, in virtually every country represented here today. There are people, very well-intentioned people, but people who I think are erroneous with regard to their views, who in each of our countries would take the point of view that now that we have peace the time has come for—they would not call it isolationism, but basically for each country to look after its own interest.

There are those who say that at the time when we needed the mutual security which built the great alliances in the past no longer exists or at least not to the same extent.

I would be less than candid if I were not to say that within the United States there has been growing in recent years, and perhaps it has been accelerated to a certain extent by our very difficult experience in Viet-Nam, a growing sense of isolationism, not just about security—those, for example, who believe that the United States unilaterally should withdraw its forces from Europe and for that matter withdraw forces from all over the world and make our treaty commitments to other nations in the Far East and in Europe meaningless—but also with regard to trade, where those who completely oppose the initiatives we have undertaken in the trade area and who oppose even some of the initiatives in the international monetary area that you are all familiar with.

I think the ladies and gentlemen in this room are aware of the fact that this administration, and I would like to point out that I believe that the view I now express goes far beyond simply a partisan viewpoint because there are many Democrats as well as Republicans who support the point of view that I will now express, reject the idea that the United States should now listen to the voices of isolation which plagued us before World War II and which always seems to rise to a new crescendo after each war in which we were engaged.

We reject it, for example, in the field of trade. We believe that it is vitally important to go forward with the great trade initiatives that have been undertaken, as Secretary [of the Treasury George P.] Shultz has often stated in his meetings with his counterparts

represented here at this meeting. We believe it is vitally important in the field of monetary affairs that the United States play a responsible role with other nations in the free world in developing a more stable system, one that will not be affected by the shocks that have so often over the past 10 years shaken the world monetary institutions to their very foundations.

We also believe this in the terms of security, as I have already indicated, where we oppose the idea that the United States, because we have entered into a period of peace which we long wanted, now can reduce its forces unilaterally without having a compensatory reduction among others or where the United States will turn away from the treaty commitments that it has, whether it is in Europe or in Asia.

Let me now relate this particular discussion in the field of security, in the field of trade, in the field of monetary affairs, to the subject of energy.

Here I think it is understandable that leaders and those who affect leaders in each of the countries that we represent might well take the point of view that each nation for its own reasons should, in effect, go into business for itself, that each nation should seek to make a bilateral agreement with the oil-producing nations, even though that bilateral agreement might not be one which would be in the interests of all of the nations—and 85 percent of all of the oil consumed is represented here in this room, the oil consumed in the free world.

This point of view, which of course I would describe as isolation in the energy field, is one that perhaps has some currency in some of your countries. It also has some in ours.

I note that some have interpreted this administration's initiative for Project Independence, in which we have set the year 1980 as the year in which we, because we are blessed by great natural resources, can and will become totally independent, we believe, of any outside source for energy, that that in itself is an indication that the United States in the energy field will go into business for itself, that we will reject the idea of being not only dependent on any foreign sources but of working with other governments, including the governments in this room, and for that matter, of working with those nations which presently furnish oil exports to us and to other nations in the years ahead.

The purpose of our Project Independence, let me emphasize, is not isolation. The purpose is for this nation, the United States, to do what any one of you would do if you were in our position: to develop your own resources so that you can be self-sufficient.

But our purpose beyond that is not then to turn away from a position of trading with other nations, of not engaging with other nations in the development of their resources and trading our resources when it serves our interest; what we desire is a world in which there will be trade between nations and among them, a world in which there will be enough energy for all the people of the world. The United States can play a significant role in that respect.

And what we learn and what we develop in our efforts toward Project Independence, I can assure you, will be not only for our own benefit, but we would hope for the benefit of all peoples in the world who wish to share in whatever those particular enterprises may produce.

I would say, too, in this whole area, that in a group like this it is well to gloss over all the differences. But we recognize that each of us has a responsibility, and I recognize this particularly, to look after the interests of his own country.

We respect you for it, we understand it, but I would respectfully submit that in the present world situation when we look at energy that these conclusions could well be drawn.

I go back to security. We can have no real security in the world unless we are all secure and unless we all cooperate. In the field of trade we cannot have a new trading system in which we will all benefit, where each tries to gain at the expense of others. Each, of course, must bargain hard. But the world is only going to be one in which we have a

trading pattern which will be for the benefit of all if we have mutual benefit on both sides.

The same is true of what negotiations we may engage in in terms of monetary affairs, and I would suggest to you also in the field of energy.

Short term, the parochial politician might say, "Make the best deal you can." And there are those who suggest that for us and I know for some of the countries represented here. That is good short-term politics.

To me it is long-term very bad statesmanship and I say it for this reason: that if the energy-consuming nations, each of them, rather than working together, not as a combine at the expense of the oil-producing nations, because it is in their interest as well that we meet in order to develop a common policy that will assure a stable supply at a price that will be reasonable for them and reasonable for us, but I would suggest that where we do follow that kind of a policy it is possibly good short-term politics, but disastrous long-term statesmanship, for this reason—because if each of the nations in effect goes off on its own or, as I have put it, goes into business for himself, the inevitable effect will be this: it will drive the prices of energy up, it will drive our economies down, and it will drive all of us apart.

That is not in the interest of certainly the United States, and I would respectfully suggest it is not in the interest of the nations of the free world represented at this very distinguished gathering tonight.

I would simply conclude with this thought. Sometimes it is thought that the United States, because we are in a position of rather considerable military power and economic strength, tends to throw its weight around. We do not intend to do that.

What we do want to do, as I have already indicated, is to build in the field of security on that great base which brought us where we are, the beginning of what we think can be an era of permanent peace in the world.

And what we want to do, however, is that having achieved peace in the sense of the absence of war, we will not follow a generation plagued with wars with a generation plagued with economic warfare.

I would be less than candid also if I were not to say that competition among free peoples is inevitable and it is desirable. We welcome it; you welcome it.

But I am simply suggesting that this conference, in which there has been a spirited discussion, as it should be, in which there has been consideration of our mutual interest, as there should be, I believe, that the—let me put it that the enlightened selfish interest of each nation here is better served by cooperation in security, by cooperation in trade, and by cooperation in developing our sources of energy and in acquiring the energy we need to keep the great industrial complex of the free world moving ahead to ever and ever higher plateaus.

And so, gentlemen, all of our distinguished guests tonight, I want to thank you for the work that you have done in coming to this conference.

As Mr. Sharp [Canadian Secretary of State for External Affairs Mitchell Sharp] pointed out, it was called perhaps on rather short notice, and yet the problem was one that required immediate attention. I thank you for coming. I urge you to continue the deliberations that you are already engaged in, looking toward a goal greater than who is going to make the best deal next month, next year, on his energy, but looking at the problem in terms of the common goal we all have of building a structure of peace in the world that will last.

Security and economic considerations are inevitably linked, and energy cannot be separated from either. And it is for that reason that when we talk about developing policies in the energy field that we are talking about one of the fundamental pillars in that structure of peace that we all want to build, a structure that will last, we trust, many generations after all of us are here.

Tonight, of course it is always the custom to propose a toast to someone in the audience. And my difficulty is that here at this what is supposed to be a head table are the ranking guests, all of whom are Foreign Ministers.

And as I looked over the guest list, I was trying to think which of the Foreign Ministers should receive the toast. We have at least two Foreign Ministers here who have been former Prime Ministers, so they might rate. However, we have one who is especially distinguished. And I was thinking, as a matter of fact, before I found that we could get the Army Chorus free, that we might call on Mr. Scheel to perform, but having sold 400,000 records his price was simply too high. We could not afford it. [Laughter.]

But then as I looked over the list of Foreign Ministers I found that, distinguished as their past careers were and as their futures may be, there is only one of the Foreign Ministers tonight here who is also a President. And so in proposing a toast to all of you, and that is what I intend to do, I propose that we raise our glasses to President Scheel: President Scheel.

PRESIDENT SCHEEL OF THE COUNCIL OF MINISTERS OF THE EC

Mr. President: When I left the office last Saturday to come here, the doorman at our Foreign Office asked me, "Where are you going this time?" I said, "To Washington. We will be discussing energy." The doorman replied, "Oh, preventing the world from being blown into pieces."

Apparently the man had heard something about atomic energy and thought our conference would be dealing with a bomb. He was not entirely wrong. [Laughter.]

So our subject is not the bomb, but who would deny that there was some explosive force in our conference, too? Energy is a challenge to all of us, but at the same time it offers an opportunity. Who would say that our governments and our societies had foreseen all the difficulties, had initiated the necessary steps in good time, had not been taken by surprise?

Energy is the driving force of our lives, and yet haven't we behaved for years as if we got it for practically nothing? Did we not all think that substitutes would have been found by the time the oil resources were completely exhausted and that until then, until the turn of the century, there would be ample time?

We all live in a society of affluence with all its waste and extravagance. Only when we were confronted with sudden political developments did we become alive to the real situation. These events make us aware of the implications of problems with which we had been living all along without realizing them.

We should indeed be grateful for this, since without that experience we might have been aroused too late. By that time the energy sources would have been largely exhausted.

But now it is still possible for us to cope with the problem by means of prices, the market, and cooperation among governments. Now we can still make arrangements to strengthen the basic elements of world trade and to avoid its disruption and a relapse into a *sacro egoìsmo.*

This is our opportunity. If the conference initiates joint efforts on the part of the industrialized, the oil-producing, and the developing countries, we will have taken a first step in the right direction, but only a first step, no more.

We cannot yet expect solutions. The time is too short for this, and we are not yet sufficiently aware of the community of our interests. The problems are varied. The degree of dependence differs from one industrialized country to the other. It was a good thing, therefore, that the least dependent country, the United States, has taken the initiative to convene the present conference.

The question of the right price will continue to occupy us for quite some time. There can be no dispute that before the outbreak of the crisis the price of crude oil was too low in view of the existing market situation. As early as the late sixties, the crude oil market had changed from a buyers' to a sellers' market without this having had any effect on prices, but there is no doubt that the prices demanded now are too high.

In the medium and long term, they would have adverse effects on the oil-producing

countries, too. It will be essential for producers and consumers jointly to find the price that assures the long-term competitiveness of oil as compared with other energy sources.

This question cannot be considered among industrialized countries alone. The result would be bound to arouse the suspicion of the producing countries.

At long last, producers and consumers will have to get together to develop a joint basic concept.

And finally, let us not forget the economic and the monetary consequences of the present international emergency situation. It is not only the industrialized countries that suffer from them; many developing countries which do not have oil resources of their own are also affected in that an unbearable burden is imposed on their already unfavorable foreign exchange balance.

This gives rise to great complexities. The disorder in the international monetary system, the frequent change of parities, were one of the causes for the upward movement of oil prices. We now have to make a point of avoiding that the price changes on their part do not make the international monetary structure disintegrate altogether.

Our governments are now called upon to act jointly. The prosperity of our nations is based on the orderly development of international trade. Its disruption would be to nobody's interest. It would benefit neither energy producers nor the producers of raw materials in general. Nor would it be to the advantage of either developing or industrialized countries.

This again confirms the truth of the words of John Donne, "No man is an island, entire of itself." It is now essential for us that we stand the test. We all must bear social responsibility, social responsibility in the widest sense of the word, toward the community of nations and toward our own citizens.

I raise my glass and drink to the health of our host, the President of the United States, and to the well-being of the American people, to that of the countries' representatives at the conference and to the success of our joint efforts.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.
Ratifications deposited: Austria, February 11, 1974; New Zealand, February 12, 1974.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Ratifications deposited: Austria, February 11, 1974; New Zealand, February 12, 1974.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.[1]
Ratification deposited: Finland, February 4, 1974.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva December 2, 1972.[1]
Ratification deposited: Hungary, January 9, 1974.

Customs

Customs convention on containers, 1972, with annexes and protocol. Done at Geneva December 2, 1972.[1]
Ratification deposited: Hungary, December 12, 1973.

Energy

Communique concerning the international energy situation. Issued at Washington February 13, 1974.

Exhibitions

Protocol revising the convention of November 22, 1928, as amended (TIAS 6548, 6549), relating to international expositions, with appendix and annex. Done at Paris November 20, 1972.[1]
Ratification deposited: United States (with reservation), January 18, 1974.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Done at Geneva March 6,

[1] Not in force.

1948. Entered into force March 17, 1958. TIAS 4044.
Acceptance deposited: Tanzania, January 8, 1974.

Postal Matters

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.
Accessions deposited: Jamaica, December 10, 1973; Republic of Maldives, December 20, 1973.

Property—Industrial

Trademark registration treaty, with regulations. Done at Vienna June 12, 1973.[1]
Signatures: Austria, December 27, 1973; Denmark, December 19, 1973; Finland, December 27, 1973; Norway, December 19, 1973; Romania, December 31, 1973; Sweden, December 20, 1973.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.[1]
Accession deposited: Liberia, December 28, 1973.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972; for the United States October 9, 1973. TIAS 7762.
Ratification deposited: Iran, February 13, 1974.

Tonnage

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.[1]
Acceptance deposited: Ghana, December 13, 1973.
Accession deposited: Iran, December 28, 1973.

BILATERAL

Bangladesh

Agreement amending the agreement for sales of agricultural commodities of August 6, 1973 (TIAS 7711). Effected by exchange of notes at Dacca December 10 and 28, 1973. Entered into force December 28, 1973.

Mexico

Agreement providing additional helicopters and related assistance to Mexico in support of its efforts to curb production and traffic in illegal narcotics. Effected by exchange of letters at México February 1, 1974. Entered into force February 1, 1974.

[1] Not in force.

Singapore

Agreement amending the agreement of January 19, 1971 (TIAS 7048), relating to trade in cotton textiles. Effected by exchange of notes at Singapore October 30, 1973, and January 29, 1974. Entered into force January 29, 1974; effective October 1, 1973.
Agreement relating to exports of wool and man-made fiber textile products from Singapore, with annexes. Effected by exchange of notes at Singapore October 30, 1973, and January 29, 1974. Entered into force January 29, 1974; effective October 1, 1973.

Viet-Nam

Agreement for sales of agricultural commodities, relating to the agreement of July 8, 1970 (TIAS 6983). Signed at Saigon January 21, 1974. Entered into force January 21, 1974.
Agreement amending the agreement for sales of agricultural commodities of November 9, 1973 (TIAS 7768). Effected by exchange of notes at Saigon January 21, 1974. Entered into force January 21, 1974.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on February 8 confirmed the following nominations:

James F. Campbell to be Ambassador to El Salvador.

G. McMurtrie Godley to be Ambassador to the Republic of Lebanon.

William J. Jorden to be Ambassador to Panama.

Thomas W. McElhiney to be Ambassador to Ethiopia.

William J. Porter to be Ambassador to Canada.

Nancy V. Rawls to be Ambassador to the Republic of Togo.

Joseph John Sisco to be Under Secretary of State for Political Affairs.

Robert S. Smith to be Ambassador to the Republic of Ivory Coast.

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William G. Hyland as Director, Bureau of Intelligence and Research, effective January 24.

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46	2/11	Kissinger: Washington Energy Conference.
*47	2/11	U.S. and Singapore sign textile agreements.
*48	2/12	Shipping Coordinating Committee Subcommittee on Code of Conduct for Liner Conferences, Feb. 28.
*49	2/13	American specialists to visit Caribbean, Feb. 12–22.
50	2/13	Kissinger: news conference.
*51	2/14	McCloskey sworn in as Ambassador at Large (biographic data).
*52	2/14	Regional Foreign Policy Conference, Philadelphia, Mar. 19.
†53	2/15	Rush: Conference of Presidents of Major American Jewish Organizations, New York.
*54	2/15	Shipping Coordinating Committee, Mar. 19.
*55	2/15	Study group 1 of the U.S. National Committee for the CCITT, Mar. 5.
*56	2/15	Study group 1 of the U.S. National Committee for the CCITT, Mar. 14.

* Not printed.
† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

Vol. LXX, No. 1811
March 11, 1974

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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European-American Relations: A Case for Cooperative Endeavor

Address by Deputy Secretary Kenneth Rush [1]

It gives me great pleasure to be with you this afternoon to honor Jack Stein. Jack's term of office has spanned the most dangerous—and the most helpful—period in the modern history of the Middle East. The fourth Arab-Israeli war, fought with the world's most advanced conventional weapons, was more terrible and expensive of life and treasure than its predecessors. The trauma of the October war and the subsequent changes in both Arab and Israeli perceptions of Middle East realities have produced the best chance yet for peace in the Middle East. The rigid political positions and false assumptions which before the war prevented movement toward peace have been transformed into a willingness on both sides to take prudent risks in pursuit of a real peace. Arab and Israeli negotiators have met and together solved problems and reached agreements. The role of the United States has been to assist this process, to help where it can in bringing the parties together across the chasm of hostility and mistrust which has separated them for so long. The agreements reached thus far reflect the needs and desires of the parties themselves, which is as it should be since it is they who inevitably must live out their national lives as neighbors. I know that many of you share with me pride in the fact that President Nixon and Secretary Kissinger have been so helpful in the search for solutions. We are pleased that the peace process has begun and has achieved some success. We are aware of how much more must be done before a just and durable peace, in which both Arabs and Israelis can live without fear of attack by the other, can be achieved.

But you have all heard and read much recently about the Middle East. My desire this afternoon is to say a few words about another part of the world. You are aware that I have had more direct involvement myself in developments in Europe. I know many of you follow European affairs perhaps as closely as I. When I spoke before the United Synagogue of America in December, I was asked a number of questions concerning the extent to which we could continue to rely on our European allies and the extent to which the continued presence of U.S. troops in Europe was justified. These were understandable questions, but they represent trends of thinking that disturb me very much. At this time of détente with the Soviet Union, these are questions which your government must answer for you. I hope to do so this afternoon.

President Nixon's policies in the realm of foreign affairs have been rooted in a quest for peace, security, and rising standards of life for all men. In that search, a sound and truly reciprocal transatlantic relationship remains the linchpin of our efforts.

As the President said in an address to a joint session of the Congress on June 1, 1972:

> . . . we must stand steadfastly with our NATO partners if negotiations leading to a new détente and a mutual reduction of forces in Europe are to be productive. Maintaining the strength, integrity, and steadfastness of our free-world alliances is the foun-

[1] Made at New York on Feb. 15 at a luncheon in honor of Jacob Stein, retiring chairman of the Conference of Presidents of Major Jewish Organizations (press release 53).

dation on which all of our other initiatives for peace and security in the world must rest. As we seek better relations with those who have been our adversaries, we will not let down our friends and allies around the world.

Because of the ties of history and heritage and a close perception of the responsibilities which the Atlantic states bear in the world at large, the United States helped in large measure to rebuild a shattered Europe at the end of World War II. Western Europe has waxed wealthy and has been moving, not without difficulty, toward economic and perhaps ultimately political unity. The United States welcomes this and sees this transitional time as a critical juncture. We should move to strengthen and to adapt our relations with Western Europe to reflect better the realities and resource capabilities of the increasingly complex and multipolar world of the seventies.

We are determined to forge a strengthened Atlantic relationship. As a result, we are currently engaged in several urgent diplomatic efforts. We and our Western partners are together drafting declarations of principles designed to set the future pattern of our association in the political, security, and economic fields.

We now envisage one declaration setting forth defense principles for the NATO nations and another concentrating on political and economic principles to govern relations between the United States and the European Community. Further, the United States favors strongly a third declaration, subscribed to by Europe, America, and Japan, which would include the fundamental principles of the declarations we are drafting with the Western Europeans as well as a number of goals we share with the Japanese.

We think the philosophic tone of these declarations is as important as their form and their content. These documents must be expressions of that basic unity of purpose which is essential if the Atlantic powers and Japan are to be able to grapple successfully with the problems before them.

New issues—reflecting the complexities of the highly technological and developing societies of this decade—press upon us in the fields of trade and monetary adjustment, developmental assistance, environment pollution, and the politics and economics of energy. This week in Washington we have had a conference of 13 Foreign Ministers, together with the senior officials of the European Community and the OECD [Organization for Economic Cooperation and Development], as well as a number of Finance Ministers and chiefs of national energy programs and science and technology, to see whether the nations that import and consume three-quarters of the world's energy transfers can manage, through a cooperative effort, the massive international energy resource problem which faces us today. The conference agreed on the need for a comprehensive action program to deal with the many aspects of this global problem. This work, when completed, will lead to a meeting between consumers and producers to work out a new cooperative multilateral relationship. This consumer-producer conference may be preceded by a further consumer meeting to review the work. Less developed consumer countries should be represented.

As Secretary Kissinger said to the Pilgrims at London last December:

> The United States is prepared to make a very major financial and intellectual contribution to the objective of solving the energy problem on a common basis. There is no technological problem that the great democracies do not have the capacity to solve together—if they can muster the will and imagination. . . .
>
> We have every reason of duty and self-interest to preserve the most successful partnership in history. The United States is committed to making the Atlantic community a vital positive force for the future as it was for the past. What has been recently taken for granted must now be renewed. This is not an American challenge to Europe; it is history's challenge to us all.

The Western alliance has proved to be a stout shield of collective defense. Without such a credible defense, those measures of détente gained in negotiation would not have been possible. Continued progress toward further détente demands a continued reliable and resolute defense which can flow only from a sound alliance.

For our part, in the light of the present

strategic balance and of similar efforts by our allies, we must not only maintain but improve our forces in Europe. We should not reduce them unless there is reciprocal action by our adversaries. This pledge rests on a fundamental judgment—certainly as valid today as it has been for the past quarter century: The security of Western Europe is inseparable from our own.

American forces are in Europe because of our national security needs. They constitute a vital element in the common defense of the West. Their future effective presence, however, will depend—out of simple necessity—on a more equitable burden-sharing equation between us and our allies.

Today's world is characterized by an ever-growing complex interrelationship—not only among the various forces in any given country but also among nations in their foreign policies. The capability and will for military strength is closely related to a nation's economic vigor. In our view, that forms the nexus between defense, money, trade, and, now, energy. This assertion is not a prescription for blackmail; it is simply a fact of life. As President Nixon said at the White House Monday night at the Energy Conference dinner:

> Security and economic considerations are inevitably linked, and energy cannot be separated from either. And it is for that reason that when we talk about developing policies in the energy field that we are talking about one of the fundamental pillars in that structure of peace that we all want to build, a structure that will last, we trust, many generations after all of us are here.

I spoke before of this being a time of transition which offers large opportunities for imaginative and bold thrusts of diplomacy. This applies not only to evolving relationships in the West but also in the sphere of East-West encounter. The tensions of the cold war are being eased. We strive for broader areas of détente in the cause of global tranquillity and heightened prosperity. This is in no way a condominium between the Soviet and American superpowers, but an engagement in the interests of all.

In the past, shifts in our relations with the Soviet Union proved to be largely episodic—understandings that were more atmospheric than real. What has been established at the two summits between General Secretary Brezhnev and President Nixon, however, we believe to be more durable. It is based on solid, definitive achievements that grip the interests of both parties.

The dangers inherent in a world of massive nuclear weaponry are so immense that we believe it imperative to make a determined, sustained effort to relax international tensions, to define rules of conduct, and to build an increasing interconnection of interests and communication in widening fields of concern at every level of national life.

In the continuation of close consultation, Foreign Minister Gromyko visited Washington at our invitation February 3–5. As a result of the talks held with him by the President and Secretary Kissinger, a mutual determination was reaffirmed to developing further our relations along the lines established during the President's visit to the Soviet Union in 1972 and the General Secretary's visit to the United States in 1973 and reflected in the agreements concluded at those times. It was agreed further that Secretary Kissinger will travel to Moscow early this spring in connection with preparations for President Nixon's visit to the Soviet Union later in the year.

Let me emphasize for you one aspect of what we mean by détente. Our attitude toward détente has never implied approval of the Soviet domestic system. We have always recognized that there exist fundamental incompatibilities between our two ways of life.

The United States will never condone the internal policies of closed societies. We are not neutral in the cause of liberty. As long as we remain powerful, we will use our influence to promote freedom in its largest sense. We seek to do so in the most effective way. There are, however, limits to our ability.

The view of some, based on very real and valid concerns for human freedoms, is most dramatically expressed in congressional amendments to the pending Trade Reform

Act which would deny equal tariff treatment and government credits to Russia and certain other Socialist states which impose restrictions on the right of their citizens to emigrate.

Let me say to you today: This administration understands and fully shares the objectives of human rights and freedoms, in defense of which the Jewish community has always been on the front lines.

It is not the goal, nor a question of priorities, that is at issue here; it is simply a matter of tactics. We believe that in the long run greater trade and closer economic relations with the Soviets will be a far more effective liberalizing influence than continued isolation and lack of contact between us.

No discussion involving the question of human rights in the Soviet Union would be complete without reference to the situation of Alexander Solzhenitsyn, whose forced departure from his native Russia has evoked worldwide attention and sympathy. Secretary Kissinger has already expressed what he so appropriately called our "human, moral, and intellectual" concern for Alexander Solzhenitsyn. This concern is founded in the importance which we place upon both freedom of thought and freedom of the press.

There are those who now suggest that Soviet treatment of Solzhenitsyn reveals the failure of our policy of seeking a détente with the Soviet Union. I respectfully submit that this approach is not valid. We have repeatedly emphasized that our effort to seek a relaxation of tension with the world's other superpower does not imply approval of Soviet internal policies and practices. Détente is based on the presumption that nuclear war is unacceptable. A reduction of this threat and an improvement of the prospects for peace are what we seek to achieve through détente. Such a policy, like our concern for the safety and freedom of Alexander Solzhenitsyn, is rooted in our concern for the dignity of man.

I would like to recall in this connection the words of Roy Medvedev, the distinguished Soviet historian and friend of Solzhenitsyn, who pointed out last fall that:

> It is precisely under conditions of international détente that the efficacy of international public opinion and its influence on the internal policy of great nations is heightened. For a country that is isolated from the outside world, that fences itself off from the world with the various barriers of the "cold war," will become insensitive to the protests and the opinion of the world's people. . . .

In the cause of Soviet Jewry—which is always in our minds—we have made our position unmistakably clear, and the forward movement has been substantial; the exit tax on emigrating Soviet Jews is not being collected; we have received assurances that it will not be reapplied: the annual rate of Jewish emigration from the U.S.S.R. has most recently been in the tens of thousands, where before it was only a slight trickle. In 1968, before President Nixon's term, only 400 emigrated; in 1971 it was 14,000; in 1972, 31,500. Throughout 1973 this sizable flow continued and registered a further increase to 33,500.

These are hopeful developments, and the question must arise whether increased tension between our two countries—brought about through a frustration of our efforts to achieve accommodation in political, security, and economic terms—would encourage a continuation of the present increased flow or rather have the opposite effect. Progress which is continuing must not be put in jeopardy without careful consideration.

We think this is evidence of the rightness of our efforts to reduce tensions and to explore possible future cooperation. We don't claim that trade prevents hostilities; we do maintain that economic and commercial interchange promotes a freer interchange of people and ideas and that this can foster greater international understanding and cooperation.

Gradually, over a period of time, as we remove the causes of mutual irritations—many of which are in fact economic and commercial—the atmosphere is improved for relaxation of political and diplomatic defensiveness. This applies, as well, to relationships

within the market-oriented, industrialized Western world. Practically every section of the administration's bill is aimed at reducing the possible causes of economic isolationism, autarky, and restrictionism in the non-Communist world. We think this approach can also achieve real benefits when applied to countries governed under a different political system.

In fact, a real and lasting détente with the Socialist powers is itself related to the degree of harmony we can maintain in the West. We need the authorities in the trade bill to help us improve relationships—political as well as economic—with Europe, Japan, and the developing countries.

Those improvements can help pave the way for more open and equitable relations with the Communist nations. And that, in turn, is a sounder basis on which to negotiate removal of political irritants.

We recognize the intensity of the desire to register popular opposition to restrictions on human rights, which support of the Jackson-Vanik amendments reflects in Congress. We are by no means asking that this overwhelming sentiment not be expressed. We are hopeful that it can be expressed in a way which does not foreclose the possibility of opening up new commercial and economic channels of communication and influence with the Soviet Union and other Communist governments. Secretary Kissinger has indicated, and I think it is important to reiterate here, that we are proceeding on the assumption that a means for readjustment can be found to resolve what has become largely a question of the best tactics to achieve the same humanitarian objectives.

My friends, this is a time of grand and even noble opportunity on the international diplomatic stage. Such opportunities have arisen from time to time in the past, only to be dashed as nations turned back to classically narrow, selfish, and divisive ways. Those lost chances should be well remembered, for as George Santayana observed: "Those who cannot remember the past are condemned to repeat it."

Foreign Ministers of Saudi Arabia and Egypt Visit Washington

President Nixon met on February 19 with Foreign Minister Sayyid Umar al-Saqqaf of Saudi Arabia and Foreign Minister Ismail Fahmi of Egypt. Following are remarks made to the press by President Nixon and the Foreign Ministers after the meeting.

Weekly Compilation of Presidential Documents dated February 25

PRESIDENT NIXON

Ladies and gentlemen: Foreign Minister Saqqaf of Saudi Arabia and Foreign Minister Fahmi of Egypt, Dr. Kissinger, and I have just had an extended and very constructive discussion with regard to our achieving the goal of a permanent peace in the Mideastern area.

With regard to the various steps that have been taken, the first of which, of course, was the disengagement on the Egyptian front, the immediate problem that concerns us all is to obtain disengagement on the Syrian front.

The two Foreign Ministers are here representing not only their own governments but also four heads of state, as they will indicate, and at the request of the Foreign Ministers conveying the requests of the heads of government, we believe that steps should now be taken to get the talks begun between the Syrians and the Israelis with regard to disengagement.

Consequently, at their request, I have asked Dr. Kissinger, when he completes his trip to Mexico City, to go to the Mideast again, where he will meet with the Syrians and with the Israelis with the objective of getting talks started with regard to the problem of disengagement on the Syrian front.

In addition to that, we discussed other matters of mutual concern having to do particularly with the need to have a permanent settlement in the Mideast, and I would say—and I would allow of course each of them, or would ask each of them, to comment as they

see fit with regard to the point I will be making now—that the goal of all governments—these two governments, with which we have had very friendly relations in recent times, and some over a longer time—the goal of our governments is to have not simply a temporary settlement but a permanent settlement, with normal relations, economically, diplomatically, and in other ways in that area of the world and with all of the countries of that area of the world.

As our senior guest we will call on the Foreign Minister of Saudi Arabia to say anything he would like: Mr. Saqqaf.

FOREIGN MINISTER AL-SAQQAF

My friend, thank you very much. I think you see me now for the third time. You might notice that I am better relaxed. The reason is that I have had a very good and constructive discussion with the President and with the Secretary.

I think Mr. President summarized everything, and I don't need to add anything, except that we feel hopeful that something will happen, and soon, for the benefit of the United States, of the Middle East, for the world as a whole.

Thank you.

FOREIGN MINISTER FAHMI

We had, as the President has just said, an extended discussion, and very constructive, and we are very pleased, after conveying to the President the decisions which were taken unanimously by the four heads of government in Algeria. We are very pleased, as you have heard the President, that the United States will continue to work for a permanent and just peace in the Middle East, for the benefit of the countries of this area, and we welcome his approval of dispatching the Secretary of State to the area again to start contacts with the Syrians and the Israelis to start working on a disengagement on that front as the United States actively participated before so far as the Egyptian front and there was a successful result from the U.S. efforts in that regard.

Thank you.

Defense Articles and Services for Spain

PRESIDENTIAL DETERMINATION NO. 74-10 [1]

PRESIDENTIAL DETERMINATION—SPAIN

Memorandum for the Secretary of State

THE WHITE HOUSE,
Washington, December 20, 1973.

Pursuant to the authority vested in me by Section 614(a) of the Foreign Assistance Act of 1961, as amended, I hereby:

(a) Determine the use of not to exceed $3.4 million in FY 1974 for the granting of defense articles, defense services and training, together with excess defense articles, to Spain, and the use of up to $3 million in Security Supporting Assistance funds to finance programs of non-military cooperation with Spain, without regard to Section 620(m) of the Act, is important to the security of the United States;

(b) Authorize such use up to $3.4 million for the grant of defense articles, defense services, and training to Spain, and the use of up to $3 million in Security Supporting Assistance funds to finance programs of non-military cooperation with Spain, without regard to the limitations of Section 620(m) of the Act.

This determination shall be published in the FEDERAL REGISTER.

Richard Nixon

[1] 39 *Fed. Reg.* 4463.

Department Gives Views on U.S. Commitments to NATO

Statement by Arthur A. Hartman
Assistant Secretary for European Affairs [1]

"It is apparent to anyone who reads the newspapers that this is a time of uncertainty and reassessment in Western Europe . . ."

These words, Mr. Chairman [Representative William J. Randall], you will recognize as a quotation from the report of the Special Subcommittee on NATO Commitments, which you chaired, on "The American Commitment to NATO" of August 1972. Yet 1972 for most Western European countries was a relatively good year. It was a year of solid economic growth. By and large, European foreign accounts were in surplus, while the dollar was under pressure. And in October 1972 the nine members of the recently enlarged European Community felt enough confidence in the future solemnly to proclaim at the Paris summit meeting their intention to transform, within the decade, "the whole complex of their relations into a European Union."

But if there were undercurrents of uncertainty in Western Europe in 1972, today the region is deeply troubled. The energy crisis has already removed one of the givens in the equation of European prosperity—an unlimited supply of oil at a reasonable price. Rates of economic growth are dropping, the level of prices will rise more steeply, payments balances are shifting into deficit, and foreign exchange reserves will decline.

On the integration front the Community is in disarray. Transition to the next stage of economic and monetary union has been postponed, and the French have withdrawn the franc from the Community monetary agreement. The Community is still struggling unsuccessfully to evolve a common energy policy. It has failed to date to resolve an impasse over establishment of a regional fund. And the situation has grown so strained that many Europeans are questioning openly whether the nine member countries possess the will to move ahead to further unity or will allow the Community to stagnate or fall apart.

These developments will severely test both the internal social and political balance of the member countries of the Community and their relations with each other. Their announced goal of a "European Union" by 1980 would have been hard enough to achieve in a period of undiminished prosperity and close cooperation. It will become much more difficult now.

Meanwhile, our ideological adversaries already cheerfully proclaim the imminent crisis of the capitalist system. Boris Ponomarev, alternate member of the Political Bureau and Secretary of the Soviet Communist Party said on January 18 that "bourgeois society has come face to face with such a sharpening of all its contradictions, which allows one to speak of a certain qualitative shift in the development of the general crisis

[1] Made before the Ad Hoc Subcommittee on U.S. Military Commitments in Europe of the House Committee on Armed Services on Feb. 15. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

of capitalism, of an all-round deepening of this crisis." This prophecy of doom will join those that preceded it in the dustbin of history. I have great confidence in the strength and resilience of market economies and free societies. North America and Western Europe will adapt, adjust, and learn to meet the new challenge.

But the safe navigation of this rough passage is not foreordained and inevitable. It will take political seamanship of a very high order. Certainly this is not the time to throw overboard the ballast provided by the American commitment to the security of Western Europe.

The earnest of that commitment is, and will remain, the presence of U.S. forces in Western Europe. Modest unilateral reductions of U.S. forces, if I may once again quote the special subcommittee report of August 1972, "would have an adverse psychological impact . . . out of all proportion to the actual military effect of such reductions." The policy implications of that judgment, Mr. Chairman, are even more pertinent in the winter of 1974 than they were in the summer of 1972.

We maintain the present level of U.S. forces in Europe not as an act of political charity but from calculations of national interest. Nothing has occurred to alter the judgment made in your 1972 report that without the independence and security of Western Europe, "the U.S. position in the world, strategically and economically, would be seriously reduced." The Atlantic alliance is the cornerstone of the structure of peace we seek to erect. And the alliance draws its cohesion from the presence of U.S. troops on European soil.

This was essentially the judgment of the special subcommittee majority report in August 1972. What has happened since then confirms, in my opinion, the soundness of that judgment. I will touch in this statement upon some of the developments of the past year and a half and will be happy to answer your questions about others.

Among the countries on both shores of the Atlantic there is a profound identity of interest. Yet the public perception of the Atlantic relationship has become clouded with images of political dissonance and commercial rivalry. Last April, Secretary Kissinger proposed that we and our allies should redefine our common interests, in the light of changed circumstances and of the exigencies of the future. He suggested that we articulate a clear set of common objectives to guide the conduct of particular aspects of our relations. While the allies will not always agree on approaches to problems, especially those arising outside of the treaty area, the Secretary cautioned that we require an understanding of what should be done jointly and of the limits we should impose on the scope of our autonomy.

While the energy crisis and associated problems will impede the evolution of European unity, we should assume that the long-term trend will be toward greater rather than less cohesion among the member states of the Community. In particular, the Nine are developing new processes of political consultation and attempting to reach joint positions on some foreign policy issues. There is no necessary conflict between European identity and Atlantic community. But the transatlantic relationship must adapt to new realities.

Since the Secretary's speech last April, we have been developing with the nine members of the European Community and with our allies in NATO two declarations designed to establish the framework for our future collaboration—on the one hand with the emerging entity of the Nine and on the other among the 15 members of the Atlantic alliance. We are also discussing a third declaration that would associate Japan with this undertaking, as well as a bilateral U.S.-Spanish declaration. We are moving forward and hope these important documents will be ready for signature this spring. They will assert the intention of the United States and its partners to continue their close association, taking into account the new factors in their relations.

There is of course no contradiction between these efforts to put Atlantic relations

on a new and firmer basis and the pursuit of negotiations with the East. Indeed, the two endeavors are complementary. East and West are no longer locked in rigid confrontation. It has become possible to manage more rationally our relationship with the Soviet Union and to reduce the risks of conflict. But we cannot carry out such a policy from a basis of military weakness and political disunity in the West.

East-West Negotiations

Over five years after the allies proposed mutual and balanced force reductions (MBFR) in Central Europe, preliminary talks opened in January 1973, and actual negotiations are now underway in Vienna. The initial positions of the Eastern and Western sides have been advanced. Arduous negotiations lie ahead. So far both sides have agreed that MBFR would contribute to the goal of insuring security and stability in Europe and that any agreement reached should not diminish the security of either side.

Specifically, the Eastern side has proposed reductions based on equal percentage cuts that would preserve current force ratios in Central Europe. They also seek the inclusion of air and nuclear forces.

For its part, the West proceeds from the perception that the objective of a more stable balance requires taking into account the existing disparities in Central Europe. The East has more ground force manpower and tanks in the area than does NATO. Moreover, Soviet forces withdrawn from Central Europe would have to travel only a few hundred kilometers to return to the front, while U.S. forces would have to cross the Atlantic. We believe that by working to achieve a stable relationship in ground forces, we will be taking the most direct path open to us for lessening the risks of the outbreak of hostilities and thereby reducing the risk of escalation.

Accordingly, the West has proposed that the final goal of ground force reductions by both sides be a common ceiling for overall ground force manpower. At present NATO has 777,000 men in its ground forces in the area; the Warsaw Pact has 925,000 men. The disparity of nearly 150,000 men between these figures is a substantial one, and we believe the main objective of the negotiations should be to eliminate it.

The negotiation of these reductions, we believe, should be taken in two steps, beginning with reductions in U.S. and Soviet ground forces, followed by a second phase for completion of movement toward the common ceiling.

If MBFR agreements can be reached, and we are sanguine that they can, they would advance the cause of détente in a practical and tangible way and might lead to other arms control measures.

There is obviously very little chance of achieving our goals in MBFR if the United States reduces its forces unilaterally. To risk these negotiations, now in midstream, would be a high price indeed to pay for the modest balance of payments savings that would accrue from the immediate return of some U.S. forces from Europe.

In another context, the signature in June 1972 of the four-power agreement on Berlin opened the way to convening the Conference on Security and Cooperation in Europe. The second phase of this conference is now taking place at Geneva. The 35 nations participating look forward to its conclusion at a high-level meeting this year. It will likely result in general statements on basic principles of interstate relations; East-West cooperation in economic and other fields; and increased human contacts and cultural exchanges. We have not entered these talks with false expectations. For the conference will not yield a surrogate World War II peace treaty. It will not reunite Europe, or eliminate the possibilities of future friction. But it can be a step in the right direction.

We recognize that the two great nuclear powers have a special responsibility to the international community. In June 1973 we signed with the Soviet Union an agreement on the prevention of nuclear war. We are also carrying forward discussions on the limitation of strategic armaments. The out-

come of those talks will be a further important gauge of the extent to which we can reduce the risks of confrontation.

Maintaining U.S. Force Levels in Europe

But none of the agreements with the Soviet Union, whether already signed or in prospect, can replace the security we derive from the North Atlantic Treaty and the collective defense arrangements associated with it.

The Soviet Union is embarked upon an ambitious program of missile testing and development that has already largely eliminated the margin of superiority we once enjoyed in strategic armaments. Soviet and Warsaw Pact conventional forces in the European central region are being provided with the most modern equipment. And the Soviet Navy, once essentially a coastal defense force, steadily strengthens its presence on the open seas. There is no rational alternative, in a period of rough nuclear parity, to a credible conventional defense posture.

Some would admit this proposition but ask why the European allies should not replace the U.S. forces which, nearly 30 years after World War II, they believe we should begin to withdraw. The answer, Mr. Chairman, is simply that Western Europe is not a single entity but a number of separate states, all living under the shadow of enormous Soviet power which none of them can hope to match. Many Western European governments calculate that their own military establishments would have little relevance to their security unless linked to an American commitment within a collective framework. They read the level of U.S. forces in Europe as the barometer of our commitment. It is thus quite unrealistic to expect that the Europeans would increase their forces to compensate for American withdrawals.

But if we carry out the President's policy of maintaining and improving our own forces in Europe, the allies will follow our lead and we can continue the gradual process, already underway, of sharing more fairly the burden of the common defense.

Your 1972 report, Mr. Chairman, concluded that "the European partners could do more and should do more" for the collective defense. We agreed with that conclusion, and we have strongly urged our allies to shoulder more of the burden. Every standard of measurement of relative effort shows an improved European performance: in the proportion Europe contributes to NATO's total defense spending, in the percent of GNP devoted to defense, and in the number of men under arms.

For example, in 1970 the European allies spent slightly over $24 billion for defense, compared to $76 billion by the United States. In 1973, European defense budgets rose to $39 billion, while our own stayed nearly constant at $78 billion. American outlays for defense, as a proportion of GNP, went from 8.4 percent in 1970 to less than 7 percent in 1973, while those of our allies increased during that period from 4 percent to 4.2 percent.

We have ended conscription in the United States. Most allies still impose it. The total number of Americans in military service continues to decline each year; by the end of fiscal 1974, it will be less than 2.2 million. However, now as in 1972, the Europeans have over 3.3 million men under arms.

The European Defense Improvement Program (EDIP), described in your 1972 report, has brought significant improvements in NATO's forces in those critical areas identified by the study of the alliance defense problems for the seventies. For example, the EDIP program will pay for the construction of some 1,600 aircraft shelters at 73 NATO airfields. Over 700 of these are already in use—many by American aircraft—and the remainder will be completed by the end of 1975. The EDIP program has continued every year with a new force improvement package. The $2.9 billion program in 1973 represented an increase of between 3 and 4 percent, in real terms, in the defense budgets of the 10 Eurogroup members. The Eurogroup has recently announced a $2 billion increase in their budgets for 1974.

Another aspect of burden sharing that has been of concern to the subcommittee and to the Congress as a whole has been the U.S.

balance of payments deficit on military account. In his foreign policy report to the Congress on May 3, 1973, the President called upon the alliance to examine this problem. The allies responded by setting up a Burdensharing Study Group in August 1973, or well before the passage of the Jackson-Nunn amendment, to consider ways of solving the problem. At the December 1973 NATO ministerial meeting the Defense Ministers examined the report of the study group and declared in their communique the intention of their countries to participate in multilateral or bilateral arrangements to find a common solution to their problem.

At the same time, we are now in the final stages of our negotiations with the Federal Republic of Germany for bilateral offset arrangements to cover balance of payments costs of stationing our forces in Germany. We hope to be able to announce a successful conclusion to these negotiations in the near future.

However, Mr. Chairman, as you know, our overall balance of payments position has improved dramatically from a $9 billion deficit in 1972 to a surplus in 1973. At the same time, higher oil prices will bring massive balance of payments problems for most of the European allies. This sharp reversal of relative positions is something that I am sure the subcommittee will wish to weigh very carefully.

Let me conclude, Mr. Chairman. The case for keeping our troops in Europe is stronger now than it was when the subcommittee addressed the question in 1972. Unilateral American withdrawals would be more damaging to European will and self-confidence in 1974 than in 1972. We need to strengthen Atlantic ties, as the President has proposed, not to weaken them. Negotiations for mutual force reductions with the East are now well underway. The European allies are improving their forces. Their contribution to the common defense is growing, relative to our own. The national interest, now as before, is best served by keeping our forces in Europe at present levels until mutual reductions can be negotiated.

In summary, those who have argued over the past decade for unilateral reductions by the United States have not, in our view, adduced arguments for abandoning our national posture toward Europe that outweigh the overriding national interests that we would sacrifice. The net judgment of successive administrations has been, and remains, that the costs in terms of money and manpower are small in comparison with the risks that would ensue from withdrawal and its destabilizing consequences.

President Reports to Congress on NATO Burden Sharing

Message to the Congress [1]

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit the following report to the Congress on the progress made in implementing the provisions of Section 812 of the Act cited above.

Several months prior to the enactment of Section 812, this Administration took the initiative to seek Allied cooperation in developing a solution to the financial problems arising from the stationing of U.S. forces in NATO Europe. We initiated discussions with the Federal Republic of Germany in May 1973 with a view toward negotiating another bilateral offset agreement covering fiscal years 1974 and 1975. Then at the June 1973 meeting of NATO Defense Ministers, Defense Secretary Schlesinger proposed to the Allies that they develop a program to relieve the U.S. of balance of payments burden we bear as a result of stationing forces in NATO Europe. He also asked that the U.S. be relieved of the additional budgetary costs involved in stationing forces in NATO Europe rather than in the U.S. A NATO study

[1] Transmitted on Feb. 20 (White House press release).

group was established to examine the problem. This group submitted a report on October 20 to the North Atlantic Council, giving an analysis of the financial problems arising from the stationing of U.S. forces in the territory of other NATO countries and developed options for Allied action to deal with these problems.

On November 29, 1973, following the enactment of the Department of Defense Appropriation Authorization Act, 1974, Ambassador Rumsfeld, the U.S. Permanent Representative to the North Atlantic Council, tabled an illustrative program of military procurement and budgetary support which would satisfy the requirements of Section 812 of the Act and thereby avoid unilateral U.S. force reductions in NATO Europe. Subsequently, during the December 1973 meeting of NATO defense ministers, our Allies declared their intention "to participate in multilateral or bilateral arrangements towards providing a common solution to the United States problem", agreed "to examine how the share of the United States in the civil and military budgets of NATO and in the infrastructure program might be substantially reduced", and noted that "consideration was being given to widening the eligibility of projects for funding under the common infrastructure program." We are continuing to point out in the North Atlantic Council and elsewhere the importance we attach to meeting the requirements of Section 812 if we are to avoid unilateral U.S. force reductions. We continue to stress, therefore, the urgent need for Allied action to fulfill the intentions declared at the December 1973 meeting of NATO Defense Ministers, regardless of the evolving balance of payments position of the U.S. and its Allies.

Pursuant to Section 812(a) of the Act cited above, a working group composed of representatives of the Secretary of Commerce, the Comptroller General of the United States, and the Secretary of Defense, has developed concepts for use in calculating the pertinent deficit once the receipt and expenditure information becomes available for all of fiscal year 1974. An inter-agency committee within the Executive Branch has prepared recommendations concerning what acceptable actions our Allies could take to offset the expected deficit. Applying the concepts developed by the working group chaired by the Department of Commerce, the Department of Defense estimates that U.S. expenditures entering the balance of payments as a result of the deployment of forces in NATO Europe in fulfillment of treaty commitments and obligations of the United States in fiscal year 1974 will be approximately $2.1 billion. In response to a U.S. request, a study is now underway in NATO to collect more complete data than in the past on Allied military procurement from the U.S. in fiscal year 1974. A high level of military procurement will be essential if the requirements of Section 812 are to be met.

Bilateral offset negotiations with the FRG constitute the major element in our effort to obtain Allied payments to offset these expenditures. The current discussions are based on a German offer which represents an increase over the amount of military procurement and budgetary support included in the FY 1972–73 agreement. However, major cost increases of deploying our forces in Germany, international economic and financial developments, and the multilateral burden-sharing discussions have combined to make the negotiations unusually complex and time consuming. Once a satisfactory bilateral offset agreement has been concluded, we will look to our other Allies for the remaining amount needed to offset our estimated expenditures of approximately $2.1 billion. Although the energy crisis and the changing overall balance of payments positions of the U.S. and the European NATO countries have made it more difficult for the other Allies to respond promptly to our request for burden-sharing assistance, we are continuing to stress to them the urgent need to develop a specific program to ensure that our military expenditures are fully offset.

Action to reduce the U.S. balance of payments costs and budgetary burdens associated with the stationing of U.S. forces in NATO Europe, while important, are not the

only measure of equity in sharing the common defense burden. Our European Allies are continuing to improve their forces for NATO. These improvements, reflected in increasing European defense budgets, are an important aspect in sharing the defense burden. We are encouraging our Allies to continue these improvements and, when possible, to direct their increased spending into areas which serve also to reduce the U.S. share of the common burden.

RICHARD NIXON.

THE WHITE HOUSE, *February 20, 1974.*

1975–76 Appropriation Authorization Requested for Arms Control Agency

Following is the text of a letter dated February 7 from President Nixon to Carl Albert, Speaker of the House. An identical letter was sent to Gerald R. Ford, President of the Senate.

Weekly Compilation of Presidential Documents dated February 11

FEBRUARY 7, 1974.

DEAR MR. SPEAKER: I am transmitting herewith proposed legislation to extend the appropriation authorization for the Arms Control and Disarmament Agency, along with a letter from the Director of that Agency in support of this legislation.

Major progress has been made toward this Administration's high priority foreign policy and national security objective of establishing effective arms control arrangements. Most importantly, the Strategic Arms Limitation Talks with the Soviet Union have resulted in definitive treaty limitations on strategic defensive systems and an agreement for interim limitations on strategic offensive systems. The continuing Strategic Arms Limitation Talks, accelerated by agreements reached at the June, 1973, Summit Conference, now are focused on achieving definitive treaty limitations on strategic offensive systems. Also of major importance was the initiation last year of negotiations to reduce the military confrontation in Central Europe.

The objective of this Administration to replace the dangers of a continuing unchecked arms race with the greater security afforded by the establishment of reliable controls over armaments has been well served by the Arms Control and Disarmament Agency. This has been demonstrated especially by the Agency's key role in the Strategic Arms Limitation Talks and the talks on mutual and balanced force reductions in Central Europe. The work of the Agency in these and other forums is vital to future progress in the difficult area of arms control and disarmament.

The draft legislation I am transmitting today would authorize appropriations for the Arms Control and Disarmament Agency for fiscal years 1975 and 1976. It also amends the Agency's authority to procure the services of experts and consultants so as to make this authority comparable to that prevailing elsewhere in the Executive Branch. This change is necessary for the Agency to continue to attract highly qualified consultants to assist it in its tasks.

I urge the Congress to give this bill prompt and favorable consideration.

Sincerely,

RICHARD NIXON.

The World Economic Environment

Statement by Secretary of the Treasury George P. Shultz [1]

Since your review of the economy last summer, we have witnessed an abrupt change in world economic circumstances. The cutback in oil production and the precipitous increase in oil prices have dramatically affected prospects for world production, employment, price stability, and balance of payments equilibrium. The lives of people in all parts of the world are directly affected, with potentially devastating effects on those in the poorest countries who can afford it least.

Chairman [Herbert] Stein and his colleagues on the Council of Economic Advisers have discussed with you the prospects for our domestic economy in light of these developments. My statement today will concentrate on the world economic environment and its implications for our policies in the period ahead.

Boom, Shortages, and Inflation

The oil crisis developed late in 1973. It came on top of a situation already characterized by worldwide shortages of foodstuffs and industrial raw materials and the most serious general inflation since the World War II period.

To a considerable extent, these conditions were an outgrowth of world boom. The major industrial countries for the first time since the Korean war found themselves facing similar cyclical situations, with strong demand pressures, strains on capacity, and rapid inflation. Price increases, summarized in the first table attached to this statement, were of depressing magnitudes. For the major industrial countries as a group, consumer prices increased about 9½ percent. U.S. consumer price increases, at 8.8 percent, were only slightly less than average. The pressure on commodity prices was reflected in the much sharper wholesale price increases in almost all countries, with the increase in the United States amounting to 15.5 percent.

As this contrast suggests, what the world experienced last year was essentially a commodity price inflation. World commodity prices rose two or three times as fast as prices of finished goods and services, and the pressure on commodities accounted fully for the acceleration in rates of inflation. Food prices alone may have been responsible for half the increase in consumer prices in the major industrialized countries, and toward the end of the year particularly, energy prices also contributed heavily.

Supply deficiencies at a time of worldwide boom were the principal factors behind the escalation of commodity prices. The combination of natural forces which led to inadequate harvests over the past two years—there was in fact a fall in worldwide agricultural production per capita in 1972—produced a scramble for food supplies in a world accustomed to worrying about surpluses. Shortages of other raw materials, such as nonferrous metals and timber, also developed.

Domestic markets in some countries, where currencies appreciated during the year, were

[1] Made before the Joint Economic Committee of the Congress on Feb. 8 (Department of the Treasury press release). The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

partially shielded from the strong international price pressures. Others, whose currencies depreciated, such as the United States during the first half of the year, were not only fully exposed to the world trend but had to absorb an additional source of inflationary pressure. But these exchange rate changes—which made an essential contribution to restoration of international payments balance—should not obscure the main point that no country could escape a pervasive worldwide phenomenon.

The cuts in oil production imposed in the Middle East for essentially noneconomic reasons then created supply difficulties in another critical area, and the resulting increases in oil prices dramatically altered world economic prospects. From a $2-per-barrel range in September, we saw open market prices of crude rise to in excess of $15 per barrel within a brief period.

The low point of oil production seems to have been reached in November; by January, production was about at the same levels as consumption, which has of course been reduced. With easing of supplies and the continuing efforts to reduce consumption around the world, arm's length market prices have declined. By the end of January it appeared that spot market prices had fallen to the $10-to-$11-per-barrel range. There can be no certainty how greatly consumers—and their governments—will be inclined to reduce their consumption in the light of the higher prices. But it seems likely that consumption this year at anything even approaching present prices would be significantly less than what the free world could produce through responsible and efficient use of existing and planned facilities. It seems likely therefore that market forces will push in the direction of further reductions in the open market price of oil in the international market.

Moreover, looked at as an economic phenomenon, I am convinced the current levels of international oil prices are neither sustainable nor tolerable over a longer period. As we look ahead, additional sources of energy can and will be developed at lower cost. Yet compared to earlier years, the future cost of energy will be high. This implies a fundamental change in the world economy—a reevaluation of one of the basic tenets of a world industrial society built on the assumption of relatively cheap and plentiful oil.

PRICE INCREASES IN MAJOR INDUSTRIAL COUNTRIES, 1969–73

(Average annual rate of increase)

	Consumer prices [1]		Wholesale prices [1] [2]	
	1969–72	1973	1969–72	1973
United States	4.6	8.8	3.9	15.5
Canada	4.0	9.1	4.6	18.1
Japan	6.0	15.0	3.0	13.5
United Kingdom	7.2	9.9	7.1	10.0
France	6.1	8.7	6.3	13.5
Germany	4.9	7.0	3.9	8.3
Italy	5.4	11.3	6.2	28.0
Total OECD	5.0	9.6	4.3	14.2

[1] Percentages for 1973 are calculated for the latest 12-month period available.

[2] Since aggregate wholesale price indices are not generally available, indices are those of the wholesale prices of manufactured goods or closest available alternative.

Source: Organization for Economic Cooperation and Development (OECD), Department of Labor.

Fortunately, in areas other than oil a few encouraging signs are visible in the battle against inflation. Food production is expanding rapidly, and with normal weather a record crop is in prospect this year. The prospective slowdown of the boom in the industrial countries should temper pressures on raw material and commodity prices. Also, for the United States, the recent strengthening of the dollar and consequent fall in the cost of our imports can help dampen inflationary pressures.

Internationally, one possible danger is that attempts will be made to maintain exorbitant commodity prices through the exercise of sheer monopoly restraint on supplies. It should be possible to avoid this danger without confrontation through a constructive dialogue aimed at identifying and meeting the legitimate needs of consumers and producers alike.

At home, it is important that the effects of the rise in commodity prices are not aggra-

vated by irresponsible pricing policies or abandonment of the responsible pattern of wage settlements we have seen in the past year—a process that in the end would only be self-defeating by twisting the cost-price screw another turn. Finally, as we pass from an overheated boom and face the new problems of production and employment imposed by energy shortages, we must not lose sight of the inflationary dangers of lax budgeting or excessive money. We should be, and we are, prepared to adapt our monetary and fiscal policies flexibly as the need is demonstrated. But as we appraise that need, let us recognize that more money is not a substitute for more oil.

International Payments

The prospect that the world was moving toward a better balance of payments equilibrium has been vastly altered by the recent oil price increases.

There have been suggestions that current price levels imply a $75 billion jump worldwide in the annual costs of imported oil. These estimates assume the price rise comes on top of previous forecasts of oil consumption. This same calculation would imply an increase of perhaps as much as $10 billion in the annual oil import costs of the less developed countries which are not oil producers, an amount exceeding the total official assistance they have been receiving.

These calculations are obviously purely mechanical. In fact, no one knows what prices the consuming nations will be paying for oil imports this year. Higher oil prices and conservation measures do lead to reduced oil consumption and a lesser volume of imports. With higher revenues, oil exporters will expand their purchases, mainly from industrial countries.

Even making some allowances for these factors, there have been estimates that the investable funds of oil producers could increase this year by more than $50 billion. This would imply a deterioration in the current account position of the rest of the world of a corresponding magnitude.

The implications of a change of this magnitude, coming with such abruptness, are difficult to comprehend. For a number of developing countries, the calculations must plainly have an air of frightening unreality. They simply do not have the funds to pay, or any realistic prospect of repaying, loans in the large volume that would be required. Nor can industrialized countries find the consequences acceptable, even though in the aggregate they can anticipate large flows of investment from the oil producers.

We therefore must act promptly to bring the problem within manageable proportions both by reducing its magnitude and by developing cooperative techniques for handling it. In doing so, we believe we can be working with, and not against, the legitimate aspirations of the oil exporters for fair compensation for their resources and for stable and profitable investment outlets. The consequences of failure are evident. We are already beginning to see tensions mount as countries begin to react to the prospect of swollen oil import bills. The exporting countries can have no real interest in actions which severely disrupt the economies of their customers.

Obviously, the pressures and the means for handling them are not evenly distributed among all nations. The United States and some other countries could, if necessary, through their own actions cope with the problems which these oil price increases create, although the impact on the United States will be a good deal more serious than many seem to realize. The United States was prospectively the world's single largest importer of oil, and under any foreseeable circumstances, our oil import bill will soar in the near term. Oil imports were expected to represent a bigger proportion of our total imports than is true of most major European countries.

On the other hand, our strength is that even in the short term we are in a better position than many to conserve on our consumption of oil and to cut back our oil imports. We are the world's largest producer of oil, with many good possibilities for increasing our output; and over the longer term, we are capable of becoming fully independent of foreign oil. While I would discount sub-

stantially the fact that in December we had the largest monthly trade surplus in our history—over $940 million—we fortunately do not start from a deficit balance of payments position.

The strong turnaround in the U.S. balance of payments last year is traced in an attached table.[2] Although the final figures for the fourth quarter are not yet available, we expect that they will confirm that the marked improvement in the trade balance was accompanied by better results in the other accounts.

An Integrated Approach

No matter what the precise impact on the United States and other countries is individually, the very substantial adjustments the world now faces present a sharp and fresh challenge to our ability to work together in the common good. The challenge needs to be met on four fronts, each crucial to the whole: by devising new forms of cooperation to deal with the energy situation, by completing our negotiations for reform of the international economic system and to liberalize world trade, by maintaining the momentum of development, and by working to restore the fabric of international stability torn by inflation, payments imbalances, and now the oil crisis.

1. *Energy Cooperation*

We hope that the international energy meeting to be held next week will succeed in reaching a common analysis and understanding of the energy problem and will begin to define the nature and scope of new forms of cooperation to deal with it. The agenda for the meeting includes questions of reliable supply, conservation, development of alternative energy sources, research and development, emergency sharing of supplies, and financial management. We are looking forward to consultation with developing countries, and we want to lay the base for constructive discussions with producing nations.

What we want is not confrontation but cooperation, in the conviction that in the end producers and consumers both will find a large common interest in reconciling their needs in a manner which is consistent with economic stability, open trade, and rapid development. All nations need to have confidence that goods they need will not be arbitrarily restricted and that, conversely, markets will not be closed to them. All will benefit from increased supplies of energy. All need a framework of financial stability.

2. *Monetary and Trade Reform*

Our efforts to reform the international monetary system were reassessed in the light of uncertainties related to the oil situation at a meeting of the Committee of Twenty (C–20) in Rome last month. The committee decided it should complete its work on the main features of a reformed monetary system as quickly as possible—hopefully at its next meeting, scheduled for mid-June. At the same time, we recognized that in some areas the desired approach could only be implemented over time in an evolutionary way and that a number of important operating characteristics of the system would need to be worked out in detail later.

It was also agreed that, in light of recent developments, intensive attention should be given to certain needs that are both immediate and "do-able," in order that elements of reform of particular relevance to present conditions can be put in place as promptly as possible.

One critical requirement is to find new procedures for improving the effectiveness of the International Monetary Fund (IMF) and continuing cooperation among financial officials. A long step toward that objective was taken by agreement that a 20-member Council of Governors would be established in the IMF or, pending the formal and legal establishment of the Council, a temporary committee. The Council would meet regularly, three or four times a year, with broad and continuing authority to manage and adapt the monetary system, to oversee the continued operation of the international balance of payments adjustment process, and to deal with sudden disturbances which might threaten

[2] Not printed here.

the monetary system. The Council, or the temporary committee, would come into being when the C–20 finishes its work and would be charged with continuing the evolutionary process of reform within the context that the C–20 has established.

Other aspects of reform will also be included in the substantive agreement that we expect the C–20 will reach in June. One need is to establish techniques for valuing the SDR [special drawing right] in situations—like the present—in which most of the major currencies are floating, and important elements of an agreement on that point were developed in Rome. More broadly, the long discussion of the need to develop codes of conduct to guide the operation of the adjustment process should be brought to a conclusion. I am encouraged that discussion on appropriate guidelines for floating will become more intensive in coming months, and some convergence of approach seems to be developing.

Developments of the past year lead us also to consider new priorities in the trade negotiations. More emphasis is needed with respect to restrictions on the supply of internationally traded commodities, alongside the traditional emphasis on access to markets. The barter deals some countries are negotiating with oil producers raise anew the old questions about the role of bilateral trading arrangements in a multilateral order and how they may be placed within a framework of generally agreed rules. I think it essential that the debate on these issues—and debate it will be, for there is certainly no consensus—should be initiated promptly.

The tensions inherent in the major trade and balance of payments adjustments that countries will experience shortly—even with more reasonable oil prices—underscore the importance of maintaining the impetus toward trade liberalization. The difficult problems ahead can be solved more easily within a context of expanding world trade, encouraged by renewed progress toward trade liberalization.

I hope the Congress will move expeditiously to complete action on the trade legislation before it. Few things would be more damaging to the prospects for cooperative solutions to our common problems than the appearance that the United States was faltering in its commitment to a liberal and reformed international trading order.

3. *Economic Development*

The third task I cited earlier was to maintain the momentum of economic development. I have already emphasized the new burden on developing countries from the higher oil prices. I see no way that aspect of the problem can be reasonably handled unless those oil producers with excess funds provide grant and other concessional assistance to offset the soaring cost of oil imports to the LDC's [less developed countries]. But such assistance devised to meet new needs in no way can substitute for the assistance programs now in place financed by the industrialized world. Indeed, the need for maintaining, and even expanding in an orderly way, those programs is at least as urgent as before. The new problem of the oil situation simply cannot be an excuse for further compounding the extreme difficulties of the poorest people in the world, further widening the gap between the "haves" and the "have-nots."

The United States is being asked—and properly so—to bear a fair share of that cost. We cannot, in my judgment, fail to answer that call without severely damaging the entire fabric of the cooperative world order that we promote. In that context, the action by the House of Representatives last month in voting down the bill for replenishment of the resources of the International Development Association is particularly disturbing. We want to work closely with the Congress in the period ahead with the objective of carrying out our share of this joint effort—a share, I should point out, that has been reduced at our request to one-third from the 40 percent level maintained earlier.

4. *Maintaining International Economic Stability*

As we move ahead in those areas, we need to deal on a continuing basis with the threats to international economic stability inherent in the present situation. Temptations for

individual countries to seek their economic salvation at the expense of their trading partners are present. Fortunately, it is equally apparent that such actions would not only be self-defeating in their immediate objective but could leave us all worse off, caught in a maze of controls, restrictions, and dislocations that impair growth and stability. The need is to make sure that that intellectual understanding of the common danger is, under the pressure of swiftly moving events, made effective in our national decisionmaking.

In approaching this problem against the background of large imbalances in international payments, sudden changes in payments flows, and rapid inflation, I believe there is a general consensus that, for the time being, a general system of par values and fixed exchange rates would not be workable or desirable. While the sizable changes in exchange rates in the past year have posed some problems, floating rates have probably worked better than any other system that could have been devised during the past year. We have seen trade and investment continue to prosper, and businessmen and bankers have been able to accommodate to the situation. At the same time, the new uncertainties created by the rise in oil prices emphasize again the need for exchange rate policies which are internationally responsible, whether par values or floating rates are used, if the destructiveness of competitive devaluation is to be avoided.

A floating regime, like a par value system, requires agreed principles of good conduct if conflicts are to be avoided. We believe criteria relevant in a par value system are also relevant to floating. For instance, under either regime, the aim should be to avoid prolonged imbalances, and significant movements in reserves can help tell us when governments unduly resist market forces and suggest when policies need to be adapted. In either regime, we should not use widespread controls on trade or capital to maintain an undervalued exchange rate. As I suggested earlier, in coming months I hope we can reach agreement on broad guidelines to help assure cooperative behavior in this area.

At the end of January, the United States was able to announce the effective elimination of our capital control programs. This move was of course made possible by the improvement in our balance of payments position and the stronger performance of the dollar. We also felt that, at a time when many countries are concerned about how they might finance deficits in their current balance of payments, ending of our controls could provide an important element of reassurance. I am gratified that the move has been widely accepted as constructive, and a number of other countries have also reduced controls.

Mr. Chairman, the problems in the year ahead pose the greatest challenge to the spirit of international cooperation since we viewed the ruins of World War II. Our success in the past quarter century in finding cooperative solutions gives us grounds for hope that we can do so again. If we are to expect of our partners the responsible conduct now required, we must not fail in our own responsibilities.

Congressional Documents Relating to Foreign Policy

93d Congress, 1st Session

Convention on the International Regulations for Preventing Collisions at Sea, 1972. Message from the President of the United States transmitting the convention done at London, October 20, 1972. S. Ex. W. November 9, 1973. 29 pp.

Protocol Amending the 1928 Convention on International Expositions. Report to accompany Ex. N, 93–1. S. Ex. Rept. 93–24. November 9, 1973. 11 pp.

Privileges and Immunities for: The Organization of African Unity. Report to accompany H.R. 8219. S. Rept. 93–492. November 9, 1973. 2 pp.

U.S. Information Agency Appropriations Authorization Act of 1973. Report to accompany S. 2681. S. Rept. 93–493. November 9, 1973. 3 pp.

Report on Examination of Financial Statements of the Export-Import Bank of the United States for Fiscal Year 1973. Communication from the Comptroller General of the United States transmitting the report. H. Doc. 93–190. November 13, 1973. 7 pp.

United Nations Environment Program. Conference report to accompany H.R. 6768. H. Rept. 93–642. November 15, 1973. 2 pp.

International Travel Act of 1961 Authorization. Report to accompany H.R. 9427. H. Rept. 93–651. November 15, 1973. 11 pp.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.
Ratification deposited: Italy, February 19, 1974.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Ratification deposited: Italy, February 19, 1974.
Accession deposited: Libya, February 19, 1974.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva December 2, 1972.[1]
Signatures: Austria, May 16, 1973; Byelorussian Soviet Socialist Republic (with reservations), November 9, 1973; Czechoslovakia (with declaration), December 28, 1973; Finland, December 20, 1973; Romania (subject to ratification and with declaration), December 19, 1973; Ukrainian Soviet Socialist Republic (with reservations), November 9, 1973; Union of Soviet Socialist Republics (with reservations), August 23, 1973.

International Court of Justice

Statute of the International Court of Justice (59 Stat. 1055).
Notification of termination of declaration recognizing compulsory jurisdiction: France, January 10, 1974.

Law of the Sea

Convention on the territorial sea and the contiguous zone. Done at Geneva April 29, 1958. Entered into force September 10, 1964. TIAS 5639.
Accession deposited: German Democratic Republic (with a declaration and a reservation), December 27, 1973.

Convention on the high seas. Done at Geneva April 29, 1958. Entered into force September 30, 1962. TIAS 5200.
Accession deposited: German Democratic Republic (with declarations and a reservation), December 27, 1973.

Convention on the continental shelf. Done at Geneva April 29, 1958. Entered into force June 10, 1964. TIAS 5578.
Accession deposited: German Democratic Republic (with a declaration), December 27, 1973.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Done at Geneva March 6, 1948. Entered into force March 17, 1958. TIAS 4044.
Acceptance deposited: Oman, January 30, 1974.

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force March 5, 1970. TIAS 6839.
Accession deposited: Gabon, February 19, 1974.

Ocean Dumping

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington December 29, 1972.[1]
Ratification deposited: Sweden, February 21, 1974.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.[1]
Accession deposited: Nigeria, January 17, 1974.

War

Geneva convention for the amelioration of the condition of the wounded and sick in armed forces in the field;

Geneva convention for the amelioration of the condition of the wounded, sick, and shipwrecked members of armed forces at sea;

Geneva convention relative to the treatment of prisoners of war;

Geneva convention relative to the protection of civilian persons in time of war.
Done at Geneva August 12, 1949. Entered into force October 21, 1950; for the United States February 2, 1956. TIAS 3362, 3363, 3364, and 3365, respectively.
Aecession deposited: Oman, January 31, 1974.

BILATERAL

Bolivia

Agreement amending the agreement for sales of agricultural commodities of December 20, 1972. Effected by exchange of notes at La Paz December 28, 1973. Entered into force December 28, 1973.

International Atomic Energy Agency

Amendment to the agreement of May 11, 1959 (TIAS 4291), for cooperation in the civil uses of atomic energy. Signed at Vienna February 12, 1974. Enters into force on the date on which each party shall have received from the other written notification that it has complied with all requirements for such entry into force.

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[1] Not in force.

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No.	Date	Subject
*57	2/19	Porter sworn in as Ambassador to Canada (biographic data).
*58	2/19	Sisco sworn in as Under Secretary for Political Affairs (biographic data).
*59	2/20	Godley sworn in as Ambassador to Lebanon (biographic data).
*60	2/21	Kissinger: arrival statement, Mexico City, Feb. 20.
†61	2/21	Foreign Service officer examination.
†62	2/21	Kissinger: Conference of Tlatelolco.
*63	2/21	Deputy Secretary Rush to head U.S. delegation to ANZUS meeting.
*64	2/22	Smith sworn in as Ambassador to the Ivory Coast (biographic data).
*65	2/23	U.S. tennis team to tour Middle East.
†66	2/23	Kissinger: news conference, Mexico City.
†67	2/24	Declaration of Tlatelolco.

*Not printed.
†Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE
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Countries of the Americas Endorse Continued Dialogue in Conference of Tlatelolco

Foreign Ministers of 25 Western Hemisphere countries participated in the Conference of Tlatelolco at Mexico City February 18–23. Following is a statement made before the conference by Secretary Kissinger on February 21, together with the text of the Declaration of Tlatelolco issued on February 24.

STATEMENT BY SECRETARY KISSINGER

Press release 62 dated February 21

We owe our host country and its leaders a profound debt of gratitude for sponsoring this meeting. Personally, I have spent many happy days in this great country. And I have had the privilege of the advice, wisdom, and on occasion the tenacious opposition of your President and Foreign Minister. I look forward to an equally frank, friendly, intense, but constructive dialogue at this conference.

On a plaque in Mexico's imposing Museum of Anthropology are etched phrases which carry special meaning for this occasion:

> Nations find courage and confidence to face the future looking to the greatness of their past. Mexican, seek yourself in the mirror of this greatness. Stranger, confirm here the unity of human destiny. Civilizations pass; but we will always reflect the glory of the struggle to build them.

We assemble in the splendid shadows of history's monuments. They remind us of what can be achieved by inspiration and of what can be lost when peoples miss their opportunity. We in the Americas now have a great opportunity to vindicate our old dream of building a new world of justice and peace, to assure the well-being of our peoples, and to leave what we achieve as a monument to our striving.

Our common impulse in meeting here is to fulfill the promise of America as the continent which beckoned men to fulfill what was best in them. Our common reality is the recognition of our diversity. Our common determination is to derive strength from that diversity. Our common task is to forge our historical and geographical links into shared purpose and endeavor.

In this spirit the United States offered a new dialogue last October. In this spirit the countries of the Americas responded in Bogotá last November.

We meet here as equals—representatives of our individual modes of life, but united by one aspiration: to build a new community.

We have a historic foundation on which to build. We live in a world that gives our enterprise a special meaning and urgency.

On behalf of President Nixon, I commit the United States to undertake this venture with dedication and energy.

The U.S. Commitment

One concern has dominated all others as I have met privately with some of my colleagues in this room. Does the United States really care? Is this another exercise of high-sounding declarations followed by long periods of neglect? What is new in this dialogue?

These questions—not unrelated to historical experience—define our task. On behalf of my colleagues and myself, let me stress that we are here to give effect to a new atti-

tude and to help shape a new policy. The presence of so many distinguished leaders from the U.S. Congress underlines the depth of the U.S. concern for its neighbors and the determination of our government to implement our agreements through a partnership between the executive and legislative branches.

The time has come to infuse the Western Hemisphere relationships with a new spirit. In the 19th and early 20th centuries, the United States declared what those outside this hemisphere should not do within it. In the 1930's we stipulated what the United States would not do. Later we were prone to set standards for the political, economic, and social structures of our sister republics.

Today we meet on the basis of your agenda and our common needs. We agree with one of my distinguished colleagues who said on arrival that the time had come to meet as brothers, not as sons. Today, together, we can begin giving expression to our common aspirations and start shaping our common future.

In my view, our fundamental task at this meeting, more important even than the specifics of our agenda, is to set a common direction and infuse our efforts with new purpose. Let us therefore avoid both condescension and confrontation. If the United States is not to presume to supply all the answers, neither should it be asked to bear all the responsibilities. Let us together bring about a new commitment to the inter-American community. Let us use the specific issues we discuss here as a roadmap for the future.

Let us not be satisfied with proclamations but chart a program of work worthy of the challenge before us.

Let us create a new spirit in our relations —the spirit of Tlatelolco.

An Interdependent World

A century ago a U.S. President described to the Congress the difficulties facing the country: "It is a condition which confronts us—not a theory." The condition we confront today is a world where interdependence is a fact, not a choice.

The products of man's technical genius—weapons of incalculable power, a global economic system, instantaneous communications, a technology that consumes finite resources at an ever-expanding rate—have compressed this planet and multiplied our mutual dependence. The problems of peace, of justice, of human dignity, of hunger and inflation and pollution, of the scarcity of physical materials and the surplus of spiritual despair, cannot be resolved on a national basis. All are now caught up in the tides of world events—consumers and producers, the affluent and the poor, the free and the oppressed, the mighty and the weak.

The world and this hemisphere can respond in one of two ways:

There is the path of autarky. Each nation can try to exploit its particular advantages in resources and skills and bargain bilaterally for what it needs. Each nation can try to look after itself and shrug its shoulders at the plight of those less well endowed. But history tells us that this leads to ever more vicious competition, the waste of resources, the stunting of technological advance, and most fundamentally, growing political tensions which unravel the fabric of global stability. If we take this route, we and our children will pay a terrible price.

Or we can take the path of collaboration. Nations can recognize that only in working with others can they most effectively work for themselves. A cooperative world reflects the imperatives of technical and economic necessity but, above all, the sweep of human aspirations.

The United States is pledged to this second course. We believe that we of the Americas should undertake it together.

This hemisphere is a reflection of mankind. Its diversity reflects the diversity of the globe. It knows the afflictions and frustrations of the impoverished. At the same time many of its members are leaders among modernizing societies. Much has been done to overcome high mortality rates, widespread illiteracy, and grinding poverty. This hemisphere uniquely includes the perceptions of

the postindustrial societies, of those who are only beginning to sample the benefits of modernization, and of those who are in midpassage.

The Americas reach out to other constellations as well. The nations of Latin America and the Caribbean share much of the stirrings of the Third World. The United States is engaged in the maintenance of peace on a global basis. Pursuing our separate ways narrowly, we could drift apart toward different poles. Working together, we can reinforce our well-being and strengthen the prospects for global cooperation.

So let us begin here in this hemisphere. If we here in this room fail to grasp the consequences of interdependence, if we cannot make the multiplicity of our ties a source of unity and strength, then the prospects for success elsewhere are dim indeed. The world community which we seek to build should have a Western Hemisphere community as one of its central pillars.

President Echeverría foresaw the gathering force of interdependence in 1972 when he set forth his Charter of the Economic Rights and Duties of States as a guide for the conduct of relations among countries at different levels of economic development. Last September before the U.N. General Assembly I endorsed that concept. At first, some were concerned because they saw the charter as a set of unilateral demands; it has since become clear that it is a farsighted concept of mutual obligations. In the emerging world of interdependence, the weak as well as the strong have responsibilities, and the world's interest is each nation's interest.

We can start by making the concept of the charter a reality in the Western Hemisphere.

The U.S. View of the American Community

The United States will do its full part to see that our enterprise succeeds. We can make a major contribution, but it would be in nobody's interest if we raised impossible expectations, leaving our peoples frustrated and our community empty. We will promise only what we can deliver. We will make what we can deliver count.

I have carefully studied the agenda for this meeting you prepared in Bogotá. I will respond in detail to its specifics in our private sessions. But I will say here that I have come to a greater understanding of the deeply felt motivations behind the phrases. You are concerned:

—That the United States has put aside its special commitment to the hemisphere.

—That we will allow old issues to go unresolved while new ones are created.

—That we seek not community but dominance.

—That our relationship does not adequately contribute to human welfare in the hemisphere, that it is often irrelevant to your needs and an obstacle to their fulfillment.

In response let me outline the direction the United States proposes to its friends in rededicating itself to a new era of Western Hemisphere relationships. I look forward to hearing your own views so that together we can make the Western Hemisphere community a reality.

The United States will do its utmost to settle outstanding differences. During the past year, the United States and Mexico solved the longstanding Colorado River salinity dispute. Two weeks ago Panama and the United States, taking account of the advice of their partners at Bogotá, signed a document that foreshadows a new relationship. And just 48 hours ago, Peru and the United States settled a dispute over compensation for the exercise of Peru's sovereign right to nationalize property for public purposes.

The United States is prepared to work with the other nations of this hemisphere on methods to eliminate new disputes or to mitigate their effect.

Some of our most troublesome problems have arisen over differences concerning the respective rights and obligations of private U.S. firms operating in foreign countries and the countries which host them. These differences are based largely on differing

conceptions of state sovereignty and state responsibility.

On the one hand, in keeping with the Calvo doctrine, most nations of this hemisphere affirm that a foreign investor has no right to invoke the protection of his home government. On the other hand, the United States has held that nations have the right to espouse the cause of their investors if they believe they have been unfairly treated. This conviction is reflected in the legislative provisions of the Gonzalez and Hickenlooper amendments.

Realistically, we must admit that these two elements cannot be easily or quickly reconciled. But the United States is prepared to begin a process to this end and to mitigate their effects. Even before a final resolution of the philosophical and legal issues, we are ready to explore means by which disputes can be removed from the forefront of our intergovernmental relations.

In our private meetings I shall make specific proposals to establish agreed machinery which might narrow the scope of disputes. For example, we might consider the establishment of a working group to examine various procedures for factfinding, conciliation, or the settlement of disputes. Other approaches are possible, and I shall welcome the views of my colleagues. Let me affirm here that a procedure acceptable to all the parties would remove these disputes as factors in U.S. Government decisions respecting assistance relationships with host countries. We would be prepared to discuss with our Congress appropriate modifications of our legislation.

But we cannot achieve our goals simply by remedying specific grievances or even by creating mechanisms that will eliminate the sources of disputes. A special community can only emerge if we infuse it with life and substance.

We must renew our political commitment to a Western Hemisphere system. Thomas Macaulay once observed, "It is not the machinery we employ but the spirit we are of that binds men together." We are here because we recognize the need for cooperation. Yet we can only cooperate if our people truly believe that we are united by common purposes and a sense of common destiny.

The United States will be guided by these principles:

—We will not impose our political preferences.

—We will not intervene in the domestic affairs of others.

—We will seek a free association of proud peoples.

In this way, the Western Hemisphere community can make its voice and interests felt in the world.

We realize that U.S. global interests sometimes lead to actions that have a major effect on our sister republics. We understand, too, that there is no wholly satisfactory solution to this problem.

However, to contribute to the sense of community we all seek, the United States commits itself to close and constant consultation with its hemispheric associates on political and economic issues of common interest, particularly when these issues vitally affect the interests of our partners in the Western Hemisphere.

In my view, the best way to coordinate policies is to make a systematic attempt to shape the future. I therefore recommend that today's meeting be considered the first of a series. The Foreign Ministers assembled here should meet periodically for an informal review of the international situation and of common hemispheric problems. In the interval between our meetings, the heads of our planning staffs or senior officials with similar responsibilities should meet on a regular basis to assess progress on a common agenda. The principle of consultation on matters affecting each other's interests should be applied to the fullest extent possible. Specifically:

—The United States is prepared to consult and adjust its positions on the basis of reciprocity, in the multilateral trade negotiations.

—The United States also recognizes a fundamental congruity of interests among

the countries of the hemisphere in global monetary matters. We favor a strong voice for Latin America in the management of a new monetary system, just as we favor its effective participation in the reform of this system.

—The United States is ready to undertake prior consultation in other international negotiations such as the Law of the Sea Conference, the World Food Conference, and the World Population Conference.

The Western Hemisphere community should promote a decent life for all its citizens. No community is worthy of its name that does not actively foster the dignity and prosperity of its peoples. The United States as the richest and most powerful country in the hemisphere recognizes a special obligation in this regard.

Let me sketch here the program which President Nixon has authorized and which I shall discuss in greater detail with my colleagues this afternoon:

—*First, in trade.* During the period of great economic uncertainty arising from the energy situation, it is essential that nations behave cooperatively and not take protective or restrictive action. I pledge to you today that the United States will do its utmost to avoid placing any new limitations on access by Latin America to its domestic market.

In the same spirit we renew our commitment to the system of generalized tariff preferences. We shall strongly support this legislation. Once it is enacted, we will consult closely with you on how it can be most beneficial to your needs.

—*Second, in science and technology.* We want to improve our private and governmental efforts to make available needed technology, suited to varying stages of development in such vital areas as education, housing, and agriculture. Private enterprise is the most effective carrier of technology across national borders. But government, while not a substitute, can usefully appraise the overall needs and spur progress. The United States therefore recommends that we establish an inter-American commission on technology. It should be composed of leading scientists and experts from all the Americas and report to governments on the basis of regular meetings.

—*Third, in energy.* This hemisphere, linking oil-producing and oil-consuming countries, is uniquely situated for cooperative solutions of this problem. The United States is prepared to share research for the development of energy sources. We will encourage the Inter-American Development Bank to adapt its lending and fundraising activities to cushion the current strains. We are also prepared to explore ways of financing oil deficits, including the removal of remaining institutional impediments to your access to U.S. capital markets.

—*Fourth, in development assistance.* The U.S. Government in its executive branch is committed to maintain our aid levels, despite rising energy costs. On the other hand, the development problem can no longer be resolved simply by accelerating official assistance. We need a comprehensive review and recommendations on how all flows of capital and technology—whether from concessional assistance, world capital markets, or export credits—can contribute most effectively to hemispheric needs. I recommend charging the inter-American body with these tasks.

—*Fifth, in reshaping the inter-American system.* We must identify and preserve those aspects of the Rio Treaty and the Organization of American States which have shielded the hemisphere from outside conflict and helped preserve regional peace.

Some form of institutional structure for peace and cooperation is clearly necessary. However, we must reinforce the formal structure of the OAS by modernizing its institutions and agreeing on the principles of inter-American relations. The United States is prepared to cooperate in creative adjustments to meet new conditions.

A Spanish poet once wrote: "Traveler, there is no path; paths are made by walking." This is our most immediate need. We are not here to write a communique, but to chart a course. Our success will be measured by whether we in fact start a journey. I

suggest we move ahead in three ways:

—First, let us make clear to our peoples that we do have a common destiny and a modern framework for effective cooperation.

—Second, let us agree on an agenda for the Americas, a course of actions that will give substance to our consensus and inspiration to our peoples.

—Third, let us define a program to bring that agenda to life.

Mr. President, my distinguished colleagues, four centuries ago totally alien cultures met for the first time near here. We are moving toward a world whose demands upon us are nearly as alien to our experience as were the Spaniards and the Aztecs to each other.

Today, if we are to meet the unprecedented challenge of an interdependent world, we will also have to summon courage, faith, and dedication. The United States believes we can build a world worthy of the best in us in concert with our friends and neighbors. We want future generations to say that in 1974, in Mexico, the nations of the Western Hemisphere took a new road and proclaimed that in the Americas and the world they have a common destiny.

TEXT OF DECLARATION OF TLATELOLCO

Press release 67 dated February 24

I

At the request of President Nixon, Secretary of State Kissinger invited the Foreign Ministers and other representatives of Latin America and the Caribbean attending the 28th Session of the United Nations General Assembly to meet with him on October 5, 1973. At that time the Secretary of State suggested the initiation of a new dialogue to deal with matters of concern to the Americas.

Mindful of this important initiative, the Government of Colombia extended an invitation to Dr. Kissinger to participate actively and personally in such a dialogue at an opportune time. Dr. Kissinger immediately accepted this invitation. Thereafter, the Government of Colombia convoked the "Conference of Foreign Ministers of Latin America for Continental Cooperation," held in Bogotá from November 14–16, 1973. On that occasion the Foreign Ministers of Latin America and the Caribbean agreed it would be advantageous to initiate a dialogue on the following topics:

Cooperation for Development
Coercive Measures of an Economic Nature
Restructuring of the Inter-American System
Solution of the Panama Canal Question
Structure of International Trade and the Monetary System
Transnational Enterprises
Transfer of Technology
General Panorama of the Relations between Latin America and the United States of America

In accordance with the agreement reached at the "Conference of Foreign Ministers of Latin America for Continental Cooperation," and with the concurrence of the Government of the United States of America, the Government of the United Mexican States convoked the Conference of Tlatelolco. This Conference took place in Mexico City from February 18–23, 1974.

The agenda of the Conference of Tlatelolco comprised the eight items listed above, with the addition of two others suggested by the Secretary of State in accordance with the agreement reached in Bogotá regarding "the willingness of the participating countries to discuss any other matters the United States of America wishes to propose." The topics suggested by the Government of the United States were "Review of the International Situation" and "The Energy Crisis."

Attending the Conference of Tlatelolco were the Foreign Ministers of Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, the United States of America, Uruguay and Venezuela.

The Conference was held in two parts, one with exclusively Latin American and Caribbean participation from February 18–20 and the other from February 21–23, with the participation of Secretary of State Kissinger. In the first phase of the Conference of Tlatelolco, the Latin American and Caribbean Foreign Ministers agreed on procedures for the initiation of the new dialogue, which Secretary Kissinger had proposed be founded on "friendship based on equality and respect for the dignity of all," and upon methods for delineating the "bases for a new dialogue between Latin America and the United States." The Secretary of State agreed to these procedures.

II

The Conference took place in an atmosphere of cordiality, free from the old rigidities which have so often obstructed our dialogues in more tradi-

tional forums. The participants met as equals, conscious that the policy initiated here may be of deep historical significance. But for it to be so we must recognize that we are at a turning point and be prepared to dedicate ourselves to new horizons of understanding and cooperation.

The Foreign Ministers agreed that the Americas have arrived at an historic moment—a time of unprecedented opportunity for achieving the goals of justice, peace and human dignity which have for so long been the essential promise of the new world.

They recognized that in the modern age the demands of technology and the drive of human aspirations make impossible the narrow pursuit of purely national interests.

They agreed, as well, that interdependence has become a physical and moral imperative, and that a new, vigorous spirit of inter-American solidarity is therefore essential.

Relations between the countries of the Americas must be placed in the context of today's world; a world characterized by interdependence, the emergence onto the world stage of the developing countries, and the need to overcome inequalities. The existence of a modern inter-American system, the affirmation of the reality of Latin American unity, and the similarity of the problems of Latin America and those of other developing countries are the foundation for a dialogue and a frank and realistic relationship with the United States.

Inter-American relations should be based on an effective equality between states, on non-intervention, on the renunciation of the use of force and coercion, and on the respect for the right of countries to choose their own political, economic and social systems. Inter-American relationships, thus redefined by an authentic political will, would create the necessary conditions for living together in harmony and working cooperatively for expanded and self-sustaining economic development.

The Foreign Ministers reaffirmed the principle that every State has the right to choose its own political, economic and social system without foreign interference and that it is the duty of every State to refrain from intervening in the affairs of another.

The new opportunities for cooperative development call for a revision of the concept of regional security, which cannot, and should not, be based solely on political-military criteria, but must also encompass a practical commitment to peaceful relations, cooperation and solidarity among states.

To this end, inter-American cooperation should be supplemented by the establishment of a system of collective economic security that protects the essential requirements of integral development; that is to say, parallel progress in the social, economic and cultural fields.

By mandate of the United Nations General Assembly, a group of countries representing diverse economic systems is engaged in examining the possibilities of restructuring international economic relations, through the preparation of a draft charter on the economic rights and duties of states. This charter can create the general framework for facing specific problems through practical and fair regulations and mechanisms.

The Conference of Tlatelolco agreed that a just application of the principles of the charter can foster the internal and external conditions necessary for the American nations to satisfy their own needs and ensure their full development on an equitable basis. The Conference also recognized that peace and progress, in order to be solid and enduring, must always be based on respect for the rights of others, and the recognition of reciprocal responsibilities and obligations among developed and developing countries.

III

In the course of permanent dialogue that has been successfully initiated at the Conference of Tlatelolco, a continuing effort should be made to reach, as soon as possible, joint solutions to the pending questions included in the Bogotá document, which served as the basis for this Conference.

IV

The Conference goes on record as follows:

(1) The Foreign Ministers recognized that the success of the Conference of Tlatelolco emphasizes the value of the new dialogue of the Americas. Mindful of the growing interaction between themselves and the rest of the world and that their countries have different needs and different approaches on foreign policy, the Foreign Ministers were nevertheless agreed that the relations between their countries, which history, geography and sentiment have produced and continued to sustain, call for an expansion of the processes of consultation between their governments.

As an initial step in this continuing process of consultation, they agreed to continue on April 17, 1974, at Atlanta, Georgia, in the United States of America, the dialogue initiated in Mexico. In the same spirit they agreed to consult with the view to seeking, as far as possible, common positions in appropriate international consultations, including multilateral trade negotiations.

(2) The Conference welcomes the agreement reached in Panama City on February 7, 1974, by the Governments of Panama and the United States of America, by which they established the guiding principles for their current negotiations leading to a new Canal treaty. The Conference holds that this agreement is a significant step forward on the road to a definitive solution of that question.

(3) The Foreign Ministers agreed that, if progress toward a new inter-American solidarity is to be made, solutions must be found not only to existing

differences, but means must also be provided for the solution of problems that may arise.

(4) In this spirit, the Foreign Ministers of Latin America have taken due note and will continue to examine the suggestion advanced by the Secretary of State of the United States of America with respect to the controversies that may arise from matters involving private foreign investment.

The Secretary of State of the United States proposed the establishment of a fact-finding or conciliation procedure that would limit the scope of such controversies by separating the issues of fact from those of law. This could provide an objective basis for the solution of disputes without detriment to sovereignty.

He further proposed the creation of an inter-American working group to study the appropriate procedures that might be adopted.

(5) With regard to the problems of transnational corporations, the Foreign Ministers discussed the different aspects of their operation in Latin America and have agreed to continue the examination of the matter at a later meeting.

(6) The Foreign Ministers agreed on the need for intensifying work on the restructuring of the inter-American system.

(7) The Foreign Ministers agreed that one of the principal objectives is the accelerated development of the countries of the Americas and the promotion of the welfare of all their peoples. In this regard, the United States accepts a special responsibility; and the more developed countries of the Americas recognize that special attention should be paid to the needs of the lesser developed.

They further agreed that development should be integral, covering the economic, social and cultural life of their nations.

(8) The United States offered to promote the integral development of the region in the following fields:

Trade

(A) Make maximum efforts to secure passage of the legislation on the system of generalized preferences during the present session of Congress, and then work with the other countries of the hemisphere to apply these preferences in the most beneficial manner.

(B) Avoid, as far as possible, the implementation of any new measures that would restrict access to the United States market.

Loans for Development

(A) Maintain, as a minimum, present aid levels despite growing costs.

(B) Cooperate throughout the region and in international institutions to facilitate the flow of new concessional and conventional resources toward those countries most affected by growing energy costs.

(C) Examine with others in the Committee of Twenty and the Inter-American Development Bank all restrictions on the entry of hemispheric countries to capital markets in the United States and other industrialized countries.

(9) The Foreign Ministers further declare:

(A) They reaffirm the need of Latin American and Caribbean countries for an effective participation of their countries in an international monetary reform.

It was acknowledged that the net transfer of real resources is basic, and that ways to institutionalize transfers through adequate mechanisms should be considered.

It was reaffirmed that external financial cooperation should preferably be channeled through multilateral agencies and respect the priorities established for each country, without political ties or conditions.

(B) With respect to "transfers of technology," the Foreign Ministers agreed to promote policies facilitating transfers of both patented and unpatented technical knowledge among the respective countries in the fields of industry as well as education, housing and agriculture, taking into account conditions prevailing in each country and in particular the needs of the Latin American and Caribbean countries for introduction of new manufactures for greater utilization of the human and material resources available in each country, for increased local technical development and for creation of products for export. It was further agreed that transfers of technology should be on fair and equitable terms without restraint upon the recipient country. Particular emphasis is to be placed upon sharing knowledge and technology for development of new sources of energy and possible alternatives.

(10) The Foreign Ministers agreed that it would be desirable to establish an inter-American Commission of Science and Technology. They left over for later decision whether this Commission should be adapted from existing institutions or whether a new body should be formed.

V

In adopting this document, the Foreign Ministers expressed their confidence that the spirit of Tlatelolco will inspire a new creative effort in their relations. They recognized that they are at the beginning of a road that will acquire greater significance through regular meetings and constant attention to the matters under study.

The Conference expresses its satisfaction over the fact that the mutual understanding which has prevailed throughout encourages the hope that future conferences of a similar nature, within a permanent framework devoid of all rigid formality, will produce fruitful results for the benefit of the peoples of the Americas.

TLATELOLCO DF, *February 24, 1974.*

Secretary Kissinger Holds News Conference Following Conference of Tlatelolco

Following is the transcript of a news conference held by Secretary Kissinger at Mexico City on February 23.

Press release 66 dated February 23

Secretary Kissinger: Ladies and gentlemen, I will move very quickly to your questions. Let me make a few general comments first.

To begin with, on behalf of all my colleagues on the American delegation, I would like to thank the Government of Mexico, especially President Echeverría and Mr. Rabasa [Emilio O. Rabasa, Secretary of Foreign Relations], for the spirit with which they called this conference and the extraordinary manner in which it was organized and for the progress to which they contributed in the relationship of the countries of the Western Hemisphere.

We came here very much aware of the concern of our friends in Latin America and in the Caribbean that the United States had not paid sufficient attention to their problems. Our basic purpose was to start a new dialogue, and therefore yesterday we went through the agenda of Bogotá point by point, giving our reaction and the possibilities of achieving them.

It has been our view as well as that of all of my colleagues, the Foreign Ministers of Latin America and the Caribbean, that our meeting here should start a process and not another proclamation that would be forgotten a few months after it was issued. I believe we are on the way to accomplishing this; and I believe that I speak for my colleagues, but I certainly speak for myself, when I express our gratification for having had this opportunity and our conviction that what was started here will lead to a new relationship between the United States and Latin America and the Caribbean. Having said this, I'll take your questions.

Q. Mr. Secretary, could you define for us, if there is no such definition after this conference is over, the characteristics—the perspectives of the essential characteristics of the change that may take place in the relations of the hemisphere as a result of the meeting and the attitude and the limitations of the delegations attending this meeting with regard to the discussion of the agenda programed for this conference?

Secretary Kissinger: What is growing out of this conference is a better comprehension of the problems and challenges that we in the Western Hemisphere face. Secondly, there has grown out of the conference a determination to deal with these problems cooperatively and in a spirit of solidarity. We have recognized that many of these issues require more careful detailed study than we could give at this meeting. We are therefore going to start mechanisms that will enable us to continue working on these problems, and we are going to meet at regular intervals at various levels to give effect to this determination.

The attitude of the delegations at the meeting has been extraordinarily constructive. We did not repeat the conventional platitudes. Our friends from Latin America and the Caribbean did not hesitate to tell us honestly what their concerns were, and this is what the meeting was all about. For us to pretend that there are not concerns in Latin America would have been an insult to the intelligence of everyone assembled here. We discussed in frankness, and we on the U.S. delegation, backed up by one of the

most distinguished congressional delegations that has attended any international conference, stated honestly what we believe it is possible to do, what it will take immediately, what it will take a longer time to achieve, and what under the present circumstances we do not perceive can be done at all.

I come away with a spirit of great confidence that we have started a new relationship, and I am glad to express on this occasion my appreciation for the constructive attitude shown by every single delegation at the meeting.

Q. When you speak about a historic community for Latin America and the United States, do you mean that together you will receive the benefits and also confront the world conflicts?

Secretary Kissinger: First, let me make clear what we mean by the word "community." We don't mean a juridical structure with formal rules that require formal support. For example, the U.S. delegation put on the agenda of the conference two topics: the energy crisis and a review of international affairs. We did this not in order to obtain the approval of the other countries at this conference. We did it in the spirit that the United States, with its global concerns, was engaged in many problems around the world whose consequences would affect Latin America and the Caribbean and that, having the privilege of being assembled with our colleagues of Latin America and the Caribbean, they were entitled to hear our views, what our plans were, and what our considerations were. We did not ask them for joint action or endorsement.

Now, with respect to the consultation we foresee, we have no intention of forming a political bloc. It is not our intention to create an obligation for mutual political support. It is our intention to give some reality to a relationship that has existed for generations, that has led to the Organization of American States, and that indeed has brought us together here—the Foreign Ministers of all countries of the Western Hemisphere with the exception of Canada. This means that as far as the United States is concerned we have a special obligation to take seriously the concerns of our friends from Latin America and the Caribbean. It means that we will make serious efforts to meet their legitimate complaints and to listen to all of their concerns in a spirit of cooperation. It means also that we are prepared in international forums before we make final decisions to listen to the views of our colleagues from Latin America and the Caribbean.

As far as the countries of Latin America and the Caribbean are concerned, it would seem to us, of course, natural that through the processes of consultation they will hear our point of view. What they will do with respect to that is their own sovereign decision. But there are enough blocs in the world without our attempting to organize another one. We are talking about an attitude, a spirit, a sense of cooperation. We are prepared to give it effect through actions which I have explained both in my public speech and in the private sessions, but we are not asking for a juridical system, and that idea has never been put forward by the American delegation.

Q. Mr. Secretary, two of the things you came here to discuss—the energy crisis and U.S. policy toward the Middle East—I wonder if you could look ahead to the trip you have coming up in two days and tell us as specifically as you can what you hope to accomplish? Tell us what effect or added difficulty the uncertainty in the Israeli Government has?

Secretary Kissinger: With all respect, I believe that to this group I should answer primarily the questions that concern the conference. Briefly, what I put before my colleagues was our view of where the international situation stood. The Middle East was only one of the topics, which also included the Strategic Arms Limitation Talks and our general approach to foreign policy. So what I expect to accomplish in the Middle East I think I should leave for another press conference. Primarily it is to get talks started between Syria and Israel.

Q. Mr. Secretary, you have been charac-

terized as the great eliminator of the failures of the foreign policy of your country. What is the reason, then, of your coming here to present to the Foreign Ministers, as if it were a new concept, the thesis of the hemispheric community which is exactly the same as pan-Americanism, inter-Americanism, and the Alliance for Progress, which are the oldest skeletons kept in the closet of the Department of State?

Secretary Kissinger: I have come here in response to the request of many of the colleagues from the countries of Latin America and the Caribbean in order to express what the United States is willing to do in response to their concerns. Our proposals and their future depend entirely on our colleagues from Latin America and the Caribbean. There will be no American pressure to implement any of the proposals which we have made. And indeed if you analyze our proposals, the vast majority of them concern complaints that have been made about our actions, and there have been very few reciprocal requests we have made of our colleagues from Latin America and the Caribbean.

It is our conviction that the great problem of the world today, the big problem of world peace, is to bring about a structure in the world in which the nations of the world feel they have had a share in building it and therefore they have an obligation to help maintain it. It can be brought about only through dialogue and consensus. It cannot be brought about by pressure. Then one has to ask oneself, in the name of what are we meeting and for what purpose? This is the objective of this conference. It is our intention to go beyond the formulas of previous periods to a living reality. That living reality can make sense only if it has the willing support growing out of its own convictions of our friends in Latin America and the Caribbean. I can say flatly there will be no American pressure, direct or indirect, to bring it about.

Q. All right, I'll repeat the question, sir. If this is not an OAS conference, in the spirit of what you have been talking about us the Western community and the cooperative efforts of the countries, is there any plan or was there anything discussed with the Ministers and with you related to Canada and Cuba being invited in the future?

Secretary Kissinger: There was discussion of both problems. The United States of course has no objection to the participation of Canada. For the purposes of this conference, while we listen with respect to the views expressed by some of our colleagues, we believe that the primary objective of this conference was to introduce a new spirit and a new dialogue into the relationship with Latin America and the Caribbean. As for the United States, we did not believe this would be an appropriate forum to discuss Cuba.

Q. Who is responsible for the definite resolution that would permit American automobile companies established in Argentina to sell cars to Cuba, and when will it be able to obtain a definite resolution?

Secretary Kissinger: The issue of the sale by American companies licensed in foreign countries, specifically Argentina, to Cuba is now under study in the U.S. Government. No final determination has been made, and of course when it is made we will discuss it first with the Government of Argentina. But no final decision has been made.

Q. Mr. Secretary, I understand that you have reiterated your commitment to the Latin American and Caribbean Foreign Ministers over a consultation with them for any possible future change in the U.S. position toward Cuba. Can you now elaborate to the point of telling us whether this will be a personal consultation in the form of a committee or meeting or if this will be just a notification to them of an impending change?

Secretary Kissinger: The form of consultation has not been decided, but it will be something other than the notification of an impending change. Those countries that have taken a position similar to ours are entitled to express their views in case there

are any other considerations on the part of the U.S. Government.

Q. Mr. Secretary, the United Nations recognized last year that there was a colonial status in Puerto Rico. What form will your new dialogue with that American colony take?

Secretary Kissinger: Of course the United States does not accept the proposition that Puerto Rico has colonial status, and I do not believe this is an appropriate subject for this dialogue.

Q. Mr. Secretary, do you think that the commitment signed in Tlatelolco by the Latin American Ministers will start a permanent political and economic dialogue of justice in America?

Secretary Kissinger: It is our belief that a political and economic dialogue with Latin America and the Caribbean is very important. We are prepared to undertake with open mind and to give very serious consideration to the concerns of Latin America and the Caribbean, and we are confident that this will be one of the results of this meeting here in Mexico.

Q. Mr. Secretary, you have spoken so warmly of the spirit of this conference also with the Europeans—the Western Europeans —and would you like to recommend it for continuing Atlantic dialogue?

Secretary Kissinger: Of course, each relationship has its historical mood and its particular necessities, but I would think that the spirit that has been shown here, with the differences that exist, and I must say with all the legacy of the past, is one that was very positive, and the general attitude of mutual respect and open discussion is one that we are of course prepared to follow in relations with our European allies. I tend to believe the Europeans are ready to some extent, but the difference is that the machinery in relation to our European allies is more formalized, and this permitted here a more informal discussion which was [completely] useful.

Q. Mr. Secretary, if the conference of foreign relations ministers is of a regional nature and it has a local importance for this hemisphere, what would its importance be in the world scene?

Secretary Kissinger: Of course, the United States is committed to easing tensions wherever it is within our power to do so and independent of any other relationship that exists in this hemisphere. Nevertheless, to the extent that we can contribute in any conference or in any forum to a world which is built on consensus, where the nations of the world feel that they have a stake, and where the dialogue is based on mutual respect for dignity of all nations, it must contribute to the general peace in the world.

Q. Mr. Secretary, to get back to Western Europe and Latin America for a moment, considering the events of the last year—your AP speech, the speech before the AP writers last April, the meeting with Mr. Pompidou, the European negotiations, and now the meeting here—has your experience here at this conference made you reexamine the desire of countries in Western Europe and different Latin American pressures for bilateral relations of their own on an extensive basis and to have broad access to international forums such as the United Nations?

Secretary Kissinger: No, I believe that inevitably in any dialogue with other countries there is a tendency to emphasize those issues on which there is controversy. With respect to Western Europe, the basic principles that we thought should be expressed about the relationship across the Atlantic will be concluded within the next few weeks and will result in the kind of document that we had in mind. With respect to Latin America, we aim for a much less formal procedure because Latin America is not as organized as a unit as Europe is and because our historical relationship has been somewhat different.

Inevitably, the concern of different parts of the world in local foreign policy varies, and inevitably the most intensive dialogues that are possible are on those issues that are of most immediate concern to the countries involved and that, too, differs as between Western Europe and Latin America and the

Caribbean, but no one ever supposed that to move from a two-power world to a world in which many nations are attempting to play a role—and many regions are attempting to organize themselves—no one ever thought that this could be expressed in one document or that a day would come when you could say this process is completed. It has to be a living process and, dealing with free people, a complicated process—and we think that it is one that has to be continued and will be continued.

Q. Mr. Secretary, could you tell us which is your personal attitude toward the reunion of Cuba to the Organization of American States?

Secretary Kissinger: I have stated the U.S. position with respect to this on many previous occasions, and we believe that this issue can only be addressed in a wider context and not at this particular moment.

Q. Mr. Secretary, could you tell us what would be the immediate steps to start the implementation of the points discussed in this conference and which would be the main economic, political, social, historical, or legal obstacles to be conquered in order to achieve the purpose of this conference?

Secretary Kissinger: Of course, the basic objective of this conference was to introduce a new spirit into inter-American relations. I believe that that has been achieved. Then, the problem is how to give effect to this new spirit in a series of complete fields. Some of these fields are extremely complicated: the issue of transnational corporations; the issue of investment issues and how to deal with them; the issue of how we can take account of the concern in Latin America and the Caribbean with respect to American legislation such as the Hickenlooper-Gonzalez amendment and how this concern relates to some of the investment issues. All of this cannot possibly be settled at this meeting. However, we have agreed that on the occasion of the OAS meeting the Foreign Ministers meeting here will meet again in an informal atmosphere and continue our deliberations on issues on which we never expected to come to a final conclusion here.

Other issues—such as the concept of economic collective security, which is of great concern in Latin America and the Caribbean, is one whose basic objectives the United States can accept; but having stated it, the problem is how to give it concrete meaning. The United States has agreed already last September, and has reiterated here, that the concept put forward by the President of Mexico for a Charter of Economic Rights and Duties can be a useful instrument by which the nations of the world and the nations of the hemisphere can put into practice this aspiration for economic security and progress, by which the rights and obligations of all nations can be expressed. That, too, is a process that will continue in truth at the next meeting of the U.N. committee and will be perhaps completed at the sessions of the General Assembly in the fall.

So there are many points before us. For example, the United States has offered at this meeting that we study and give special attention to the petitions made by the countries of Latin America and the Caribbean for inclusion in our list after the Trade Act has passed. However, the Trade Act remains to be passed. We have offered consultations prior to various international negotiations, such as the multilateral trade negotiations, and to take the Latin American and Caribbean points of view into account during the negotiations. We have agreed in principle here. It has to be put into practice later. And let me say right now, however eloquent or however vague the final declaration that emerges here, all of us here have been to enough international conferences to know that the documents are soon forgotten if they are not turned into a living reality and if they do not lead to a new spirit and a new attitude.

The test of what we achieve here is not the assessment of our final declaration, which we are certain will be satisfactory, but rather our ability to put in practice what I have tried to describe here, and therefore some of the decisions will be taken in the months and years ahead.

Q. Mr. Secretary, in 1965 the United States intervened militarily in the Dominican Republic in response to military action that occurred there. If a similar thing were to occur, would you support an invasion of North American troops onto Dominican soil?

Secretary Kissinger: I stated in my opening address two things that should be kept in mind: (1) the United States will not interfere in the domestic affairs of its sister republics and (2) what we say here counts.

I'll take two more questions.

Q. Returning to the matter of the sale of automobiles from Argentina, do you believe that the United States has the right to make a decision in this case? Doesn't this constitute a violation of the sovereignty of Argentina?

Secretary Kissinger: The issue that has to be considered is the relationship of a decision of the Organization of American States. The general legislation of the United States with respect to companies with headquarters in the United States and the sovereign right of a country to determine its own laws—I discussed this issue with the Foreign Minister of Argentina in a spirit of attempting to find a constructive solution, and until we have made a decision that we can communicate to the Argentine Government, which it has a total sovereign right to accept or reject, I do not think it would be appropriate for me to engage in a public debate. But I do want to say that the discussions that took place between us were in a spirit of cooperation and friendship.

Q. Mr. Secretary, you have just stated that the United States will not intervene in the internal affairs of any Latin American country. Does this mean that in this meeting there will be changes or that the mutual military aid treaty will be abrogated between the United States and the Latin American countries?

Secretary Kissinger: Of course this depends on many things. We would not interpret treaties that have been freely entered into by sovereign countries as an interference in their domestic affairs. As I pointed out in my speech, there are a number of realities that we all have to face. The United States, by its size, its weight, its power, is inevitably going to affect the Latin American and Caribbean countries. The conduct of foreign policy of any nation to some extent involves an attempt to influence the action of other nations. It is true of the foreign policy Latin America and the Caribbean accords us, and so it is of our foreign policy toward them.

What I have tried to say here is that we will not attempt to make our foreign policy depend on a particular domestic structure of individual countries; that beyond what is implicit in the relationship of nations to each other that I have just defined, we will not interfere in the domestic affairs of other states; and that our objective is to bring about a world in which the nations feel that it is also their world and not one that has been imposed upon them. But that is a monumental task that will take many years to achieve and in which, after all, the nations themselves can judge for themselves whether this reflects their real aspirations or not.

The press: Thank you very much.

President Nixon's News Conference of February 25

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Nixon in the East Room of the White House on February 25.[1]

. . . . .

Q. Mr. President, I would like to follow up on your discussion of the energy situation. When you said that the crisis is ended, that the problem is still with us, I think for most people the problem is waiting for a long time in line for gasoline and another part of it is the price of gasoline going up as it has been. What can you tell the American people about when lines for gasoline

[1] For the complete text, see Weekly Compilation of Presidential Documents dated Mar. 4.

may become shorter under your program, and what do you see in terms of the future of the price of gasoline?

President Nixon: I believe that the lines for gasoline will become shorter in the spring and summer months. In fact, that is the purpose of our program and I think we will achieve it.

As far as the price of gasoline is concerned, I would be less than candid if I were not to say that the price of gasoline is not going to go down until more supplies of gasoline come into the country and also until other fuels come on stream which will reduce the pressure which is upward on the price of gasoline.

Obviously, too, when the embargo is lifted, that is, and will have some effect on the price of gasoline.

Q. Mr. President, when do you think the embargo might be lifted?

President Nixon: The embargo question is one that I know is on the minds of all of us, and it is one that presently is under consideration, as you know, by the oil-producing countries.

I should point out here that Dr. Kissinger's trip to the Mideast is directed toward getting a disengagement—or getting talks started with regard to a disengagement on the Syrian front. That, following on the disengagement on the Egyptian front, I think, will have a positive effect, although it is not linked to the problem of the embargo directly.

If I could perhaps elaborate just a bit on that, as far as the oil-producing countries are concerned we believe it is in their interest to lift the embargo. They should do that independently of what happens on the front of the negotiation with regard to developing a permanent peace in the Mideast.

As far as we are concerned, we believe that getting a permanent peace in the Mideast is a goal worth achieving apart from the embargo.

But while they are not conditioned on one another by either party, what happens in one area inevitably affects what happens in the other. And I can say, based on the conversations I have had with the Foreign Ministers I met with last week and based on the reports I have received to date, I believe we are going to make continued progress on the peace front. I believe that will be helpful in bringing progress on getting the embargo lifted.

By the same token, if the embargo is not lifted, it will naturally slow down the efforts that we are making on the peace front. And it is because I believe that we are going to make progress in developing those particular items that are essential toward movement toward a permanent peace in the Mideast that the oil-producing countries will conclude that they should move on the embargo front.

. . . . .

Q. Mr. President, the Shah of Iran said in an interview that the United States is getting as much oil now as it did before the embargo, and Mr. Simon of the Federal Energy Office said that such a statement is irresponsible and reckless. Can you straighten us out? Are we getting as much oil, and why would the Shah say this?

President Nixon: Well, first, I would not say that the Shah was irresponsible and reckless. However, his information, I think, is different from ours, and we have good reason to know what we are getting.

We are getting substantially less from the oil-producing countries in the Mideast than we were before the embargo. That is why we are of course very anxious to get the embargo lifted as soon as possible.

. . . . .

Q. Mr. President, what is your personal reaction to the expulsion by the Soviet Union of Alexander Solzhenitsyn, and will it in any way affect our policy of détente?

President Nixon: Well, my personal reaction is that I am of course an admirer of a man who has won a Nobel Prize for literature and one who has also shown, as he has shown, such great courage.

Second, as far as our relations with the Soviets are concerned, if I thought that breaking relations with the Soviets or turning off our policy of negotiation and turning back to confrontation would help him or help thousands of others like him in the Soviet Union, we might do that.

On the other hand, I look back to the years of confrontation, and I find that men like him, as a matter of fact, rather than being sent to Paris, would have been sent to Siberia or probably worse.

As far as our relations with the Soviets are concerned, we shall continue. We shall continue to negotiate, recognizing that they don't like our system or approve of it and I don't like their system or approve of it.

Mr. Brezhnev knows that, and I know it, and we have discussed it quite bluntly and directly. However, it is essential that both nations, being the superpowers that we are, continue to make progress toward limiting arms, toward avoiding confrontations which might explode into war, as it might have in the Mideast if we had not had this period of negotiation, and also continuing those negotiations for reduction of forces in Europe and reduction of arms or certainly the limitation of arms and the various other initiatives that we are undertaking with the Soviets.

In a nutshell, this is what we have to consider: Do we want to go back to a period when the United States and the Soviet Union, the two great superpowers, stood in confrontation against each other and risk a runaway nuclear arms race and also crisis in Berlin, in the Mideast, even again in Southeast Asia or other places of the world, or do we want to continue on a path in which we recognize our differences but try to recognize also the fact that we must either live together or we will all die together?

. . . . .

Q. In your state of the Union address, you mentioned that Arab leaders had assured you that they were calling an urgent meeting to discuss or consider the lifting of the embargo. Were you misled by the Arab leaders, or what happened to that meeting?

President Nixon: Mr. Lisagor [Peter Lisagor, Chicago Daily News], we were informed that they were calling an urgent meeting. We expected that to take place on the 14th of February. But the Arab leaders, as you know, are not a united group necessarily, and that is an understatement. Under the circumstances, while the Arab leaders who had given us this assurance tried to go forward with the meeting, they were unable to get the cooperation of others.

I believe now, however, that they will get that cooperation, that the meeting will be held, and I believe that they will lift the embargo.

The press: Thank you, Mr. President.

U.S. and Peru Reach Agreement on Certain Investment Disputes

Following is a statement by President Nixon issued on February 19, together with a White House fact sheet released to the press that day.

STATEMENT BY PRESIDENT NIXON

White House press release dated February 19

I am pleased that this morning in Lima, Peru, the United States and the Government of Peru have concluded an agreement which resolves a number of investment dispute problems that have clouded relations between our two governments for the past five years. This agreement is consistent with my deep concern about just treatment of U.S. investments overseas and constitutes another step in strengthening the mature partnership in this hemisphere to which I am strongly committed.

Investment disputes in recent years have unfortunately troubled our traditionally good relations with a few Latin American coun-

tries. We are gratified at the successful outcome of these particular negotiations. The best solution to these problems is for the parties involved to settle their disputes directly. But there is a clear need for a new approach—for a way to solve such problems without lengthy negotiations and without complicating good relations between friends. We should establish an effective, impartial mechanism to resolve these questions within the inter-American family. I have asked the Secretary of State to explore this possibility when he meets later this week with the Latin American and Caribbean Foreign Ministers in Mexico City.

WHITE HOUSE FACT SHEET

White House press release dated February 19

On August 9, 1973, the Government of the United States of America and the Revolutionary Government of the Armed Forces of Peru announced that they had agreed to hold conversations on certain aspects of some U.S. investments in Peru and that for this purpose President Nixon had designated Mr. James R. Greene as his special emissary. Following the announcement, Mr. Greene traveled to Peru on five occasions to hold conversations concerning those problems with a specially designated group of Ministers of the Government of Peru under the chairmanship of its Prime Minister, Maj. Gen. Edgardo Mercado Jarrín. Mr. Greene has been operating under the auspices of the Council on International Economic Policy with particular, close collaboration with the Departments of State and Treasury.

As a result of those conversations, the Governments of the United States and Peru, desirous of arriving at a definite solution of pending problems, signed an intergovernmental agreement at Lima on February 19.

The objective and expectation of both governments is that this agreement will contribute to the improvement of their relations, making them more cordial and constructive.

At the time of signature of the agreement, the Government of Peru agreed to deliver a lump sum of $76 million to the Government of the United States. The distribution of this sum falls within the exclusive competence of the Government of the United States without any responsibility arising therefrom on the part of the Government of Peru. The Government of the United States will deposit the $76 million in a trust account in the U.S. Treasury until distribution pursuant to a determination by the Secretary of State. The process of identifying valid claims and deciding upon the distribution of the money among valid claimants is expected to take some time.

In connection with this settlement, the U.S. Government, through its good offices, arranged for $74 million in direct remittances from the Government of Peru to several U.S. companies with assets in Peru which were either expropriated or taken permanently by the Government of Peru prior to the date of this agreement.

Defense Articles and Services for Cambodia

PRESIDENTIAL DETERMINATION NO. 74–12 [1]

DETERMINATION TO AUTHORIZE THE ORDERING OF DEFENSE ARTICLES FROM DEPARTMENT OF DEFENSE STOCKS AND DEFENSE SERVICES FOR MILITARY ASSISTANCE TO CAMBODIA

Memorandum for the Secretary of State

THE WHITE HOUSE,
Washington, December 24, 1973.

Pursuant to the authority vested in me by Section 506(a) of the Foreign Assistance Act of 1961, as amended, I hereby determine that the ordering of up to $200 million in defense articles from the stocks of the Department of Defense and defense services to provide military assistance for Cambodia is in the security interests of the United States.

This Determination shall be published in the FEDERAL REGISTER.

Richard Nixon

[1] 39 *Fed. Reg.* 3539.

The U.S. Government Response to Terrorism: A Global Approach

Address by Lewis Hoffacker [1]

The world has lived with violence and terror since the beginning of time. But we now are experiencing new forms of international terrorism which have reached the point where innocent people far removed from the source of a dispute can be victimized. Nothing has more dramatically underscored this fact than the cruel tragedies at the Munich Olympics of 1972, the virtual epidemic of kidnapings in Latin America, and the wanton murder of two of our diplomats and a Belgian official in the Sudan.

These and other incidents bear witness to the terrible potential of a disturbed or determined person or group to terrorize the international community. Moreover, this capability for traumatic disruption of society appears to expand with the increasing technological and economic complexity of our society and with the added incentive of wide and rapid publicity.

What is terrorism? Last summer a U.N. group failed to agree on a definition of the term and became diverted by an inconclusive discussion of the causes and motives of terrorists. Such disagreement, however, should not deter us from getting on with the business at hand, which we, for our working purposes, regard as defense against violent attacks by politically or ideologically motivated parties on innocent bystanders who fall under our protective responsibility. I am talking primarily of Americans abroad and foreign officials and their families in this country. At the same time, we are concerned with terrorism throughout the world, even though our people may not be directly involved, since this is a global phenomenon to which we are all vulnerable and which we cannot solve without global attention.

The U.S. Government has responded forthrightly to this serious challenge in fulfillment of its traditional responsibilities to protect its citizens and its foreign guests. In September of 1972 President Nixon established a Cabinet Committee To Combat Terrorism to consider, in his words, "the most effective means by which to prevent terrorism here and abroad." The Secretary of State chairs this Committee, which includes also the Secretaries of the Treasury, Defense, and Transportation, the Attorney General, our Ambassador to the United Nations, the Director of the FBI, and the President's Assistants on National Security and Domestic Affairs. This body is directed to coordinate interagency activity for the prevention of terrorism and, should acts of terrorism occur, to devise procedures for reacting swiftly and effectively.

Under the Cabinet Committee, a Working Group composed of personally designated senior representatives of the members of the Cabinet Committee meets regularly. It is this Group which I chair and which is in daily contact as issues arise and incidents occur. While we would prefer to be a policy planning body dealing in preventive measures, we are geared to respond to emergencies.

[1] Made before the Mayor's Advisory Committee on International Relations and Trade and the Foreign Relations Association at New Orleans, La., on Feb. 28. Ambassador Hoffacker is Special Assistant to the Secretary and Coordinator for Combating Terrorism.

Over the past year and a half, this interagency group has dealt with a wide variety of matters and in my view has made us as a government more effective in responding to the continuing threat from a variety of organizations or individuals seeking to strike at us at home and abroad. This is not to say that we have solved all the problems facing us. But we are using governmentwide resources to better advantage and have at least reduced the risk to our people and our foreign guests. We must face the reality that there is no such thing as 100 percent security. But we are doing our job if we reduce risks to a practical minimum.

Resources To Deter Terrorism

I would like to make clear at the outset that individual departments and agencies continue to manage programs dealing with terrorism under their respective mandates. The important difference is that these efforts, which individually deserve commendation, are now fully coordinated and consequently are greater deterrents to potential terrorists.

Intelligence is one of our more valuable resources in this self-defense endeavor. All security agencies have improved the quality of their intelligence relating to terrorism, and the Working Group insures that this product is fully shared and coordinated throughout the government.

Abroad, security at our embassies and consulates has been steadily improved. Last summer the President submitted to the Congress a request for $21 million for personnel and materials to better our overseas security and, hopefully, reduce the risk which our official personnel suffer throughout the world. These funds are now being disbursed, based on highest priority needs at our posts abroad.

We are mindful that our mandate also covers private citizens as well as American officials. For example, we are pleased to advise American businessmen with overseas interests. Our embassies and consulates are in constant touch with American businesses abroad, especially in such places as Argentina, where they are particularly vulnerable. We are prepared to share with them security techniques and experiences. Although we may not agree on tactics such as the advisability of paying ransom, it is important that we stick together in tight situations such as Buenos Aires, where terrorists have taken advantage of serious internal security deficiencies to kidnap businessmen for increasingly higher ransoms. We were concerned with the Bank of America case in Beirut, where a representative of Douglas Aircraft was murdered by bank robbers posing unconvincingly as *fedayeen*.

Visa, immigration, and customs procedures have been tightened. The regulation allowing a foreigner to transit the United States without a visa has been suspended except for passengers with immediate onward reservations to a point outside the United States. This suspension applies to every traveler on a nondiscriminatory basis and closes a loophole through which 600,000 visitors per year formerly passed.

In several categories of visa applicants which have been particularly susceptible to terrorist penetration, deeper screening of applications has shown some useful results.

In the fall of 1972 Congress approved a public law aimed at increasing protection for foreign officials and their immediate families in this country through the creation of Federal criminal offenses for various acts directed at them and at other official guests. Under this legislation the FBI has investigative jurisdiction concurrent with that already held by local law enforcement authorities. This expanded legal coverage of our foreign guests will, hopefully, add a further deterrent to those who might be tempted to molest them. There has been one conviction under this law, and several other cases are now before Federal courts or are expected to be submitted soon.

For some time the Postal Service has alerted post offices and other likely targets of letter-bomb activity. Many hundreds of such devices have been circulating internationally. Some have been intercepted in this country by alert customs and postal em-

ployees, with one injury sustained by a postal clerk in the process. Unfortunately a letter bomb exploded in the British Embassy last September, maiming a secretary and illustrating dramatically that international terrorists can probably penetrate our security screen.

Hijacking within the United States has fallen off significantly since the beginning of last year. This happy trend is not just a stroke of luck. Aside from the rigorous airport security program now underway, a principal factor in this favorable evolution is the bilateral agreement with Cuba whereby hijackers are denied asylum in that country. Other countries, with or without our encouragement, have taken similar steps to close their doors to individuals who look for refuge from prosecution after a hijacking. Let us recall, at the same time, that the domestic variety of hijacker in the United States is usually different from those who operate abroad, often with special ruthlessness, under the control of terrorist organizations.

U.S. International Initiatives

The United States has been busy internationally. We have been in the forefront of those who have sought tightened international air security.

We have pressed for three important multilateral conventions dealing with hijacking: the 1963 Tokyo Convention, which in effect requires countries to return a plane and passengers if it has been hijacked; the 1970 Hague Convention, which says that countries should either extradite or prosecute the skyjackers; and the 1971 Montreal Convention, requiring that any kind of sabotage of aviation such as blowing up planes on the ground be dealt with by prosecution or extradition of the offenders. We had modest expectations as we sent a delegation to two conferences in Rome last summer in the hope that the international community would advance a step forward in tightening controls on skyjackers and aerial saboteurs.

Despite our disappointment over the meager results in Rome, we are confident that there remains a sufficient sense of international responsibility and national self-interest to make possible other steps to discourage those who would threaten international air travelers. For one thing, we are seeing a steady stream of accessions to the aforementioned conventions by countries representing all ideologies. This in itself should have a good deterrent effect.

In Interpol [International Criminal Police Organization], in the Organization of American States, and in other appropriate forums, we achieve what is feasible in the way of multilateral discouragement of the international terrorist. Simultaneously we maintain quiet liaison with individual governments which share our abhorrence of terrorism. We are pleased to assist others when they suffer hijackings by providing communications and other services even though the affected plane may not be over or in our country.

At the United Nations in 1972 we sought to prohibit the export of violence to innocent persons who are many countries, sometimes continents, removed from the scene of a conflict. This approach became bogged down in debate over what some countries called justifiable, as opposed to illegal, violence even against innocent parties. Accordingly, for the time being we have narrowed our objectives to more specific categories of offenses which, because of grave and inhuman effect on innocent individuals or because of their serious interference with the vital machinery of international life, should be condemned by states of every ideology and alignment. We therefore supported in the last General Assembly a convention for protection of diplomats. The Assembly agreed in December to this measure, which requires that persons who attack or kidnap diplomats or officials of foreign governments or international organizations be extradited or prosecuted.

Dealing With Crisis Situations

If in spite of all our efforts, an act of terrorism should occur, we are prepared to deal with it as swiftly and effectively as possible. Within the State Department, task forces can be assembled on short notice to

manage such critical events as the Southern Airways hijacking, the seizure of American diplomats in Haiti, the murder of two of our officers in the Sudan, the kidnaping of our consul general in Guadalajara, the hijacking last summer of the Japanese airliner out of Amsterdam, the attack on emigrant Jews in Austria last fall, various incidents at Rome and Athens airports, and the recent terrorism in Karachi and Singapore harbors and in Kuwait.

Such task forces are composed of selected specialists who can call on the full resources of the U.S. Government to rescue, or at least to monitor, the beleaguered parties. The State Department Operations Center, which is the site of such task forces, is in instant contact with the White House, Pentagon, CIA, and other agencies concerned, as well as with foreign governments and overseas posts. By swift and intelligent action in such circumstances we, hopefully, can overcome the terrorists by one means or another.

Firmness in Response to Terrorism

Tactics vary in each crisis situation, but one consistent factor should be understood by all parties concerned: The U.S. Government will not pay ransom to kidnapers. We urge other governments and individuals to adopt the same position, to resist other forms of blackmail, and to apprehend the criminal attackers.

I hasten to underline the importance which we attach to human life. We do not glibly sacrifice hostages for the sake of this admittedly firm policy. We believe that firmness in response to terrorists' threats, if applied with the best diplomacy we can muster, can save lives in the long run and probably in the short run as well.

We have had more terrorist experiences than we had anticipated in the past five years, during which period 25 of our officials abroad who normally enjoy diplomatic protection were kidnaped. Ten of these individuals were murdered and 12 wounded. When we Foreign Service people elected to follow this career, we appreciated that there were risks different in type and intensity from those to which we are exposed in this country. Abroad we experience increased threats of subversion, kidnaping, blackmail, civil disturbances, and politically motivated violence, including assassination.

In my 23 years' Foreign Service experience, mostly abroad in the Middle East and Africa, I have not seen any of our people behave cowardly in a dangerous situation. We have learned to take reasonable precautions. We do not want to live in fortresses or armed camps. We use ingenuity to reduce risks. Most importantly, we must remind the host government of its undoubted responsibility for protecting foreigners within its territory. I recall, for example, when I was once put under house arrest by an angry Minister, I reminded him and his government that that government continued to be responsible for my personal security and would face dire consequences if anything happened to me. I am glad to report that my consular colleagues rallied round me and after a week I was able to resume my normal movements.

It would be unfair to assign labels to countries as to their hawklike or dovelike qualities in facing up to the terrorist challenge. Each country naturally performs in the light of its own interests, which may vary from case to case. Some are more cautious than others to avoid provoking militants who engage in terrorism. Even countries friendly to us are understandably selfish about their sovereign right to decide what is best in a terrorist confrontation; e.g., whether or not to yield to demands for ransom, release of prisoners, et cetera. Moreover, we in the United States have not found ourselves in excruciating circumstances such as some countries like Haiti or Mexico have undergone with foreign diplomats held in their territory under terrorists' guns.

The U.S. approach to counterterrorism is based on the principle derived from our liberal heritage, as well as from the U.N. Declaration of Human Rights, which affirms that every human being has a right to life, liberty, and "security of person." Yet the violence of international terrorism violates that principle. The issue is not war. The issue is

not the strivings of people to achieve self-determination and independence. Rather the issue is—and here I quote from former Secretary of State Rogers before the U.N. General Assembly:[2]

> (The issue is) whether millions of air travelers can continue to fly in safety each year. It is whether a person who receives a letter can open it without fear of being blown up. It is whether diplomats can safely carry out their duties. It is whether international meetings—like the Olympic games, like this Assembly—can proceed without the ever-present threat of violence.
>
> In short, the issue is whether the vulnerable lines of international communication—the airways and the mails, diplomatic discourse and international meetings—can continue, without disruption, to bring nations and peoples together. All who have a stake in this have a stake in decisive action to suppress these demented acts of terrorism.
>
> We are all aware that, aside from the psychotic and the purely felonious, many criminal acts of terrorism derive from political origins. We all recognize that issues such as self-determination must continue to be addressed seriously by the international community. But political passion, however deeply held, cannot be a justification for criminal violence against innocent persons.

The United States has attempted to show leadership in stimulating a global preoccupation with this apparently growing international threat. We have not achieved all that we have sought in international cooperation. Our multilateral, bilateral, and unilateral efforts must continue because the outlook is not as promising as it might be. There seems to be increased collaboration among terrorist groups of different nationalities. Such groups seem to be moving farther and farther afield, including toward North America. There is, moreover, evidence of ample financial sources for some terrorist groups not only from ransoms collected but also from governments which, for one reason or another, are sympathetic toward certain terrorist groups. And last but not least, there seems to be no shortage of politico-economic-social frustrations to spawn terrorists on all continents.

Accordingly, we must increase our vigilance, our expertise, and our determination in the face of what may be an expanding threat to our personnel and other interests abroad, as well as on the homefront. In fact, this global epidemic still threatens the very fabric of international order.

We as a government must be cool and tough—and I might add, sensitive—in responding to these vicious attacks against our citizens and other interests. As we seek to defend ourselves against this viciousness, we are not unmindful of the motivation inspiring the frustrated political terrorist who feels he has no other way to deal with his grievances than by terrorist action. As ways are found to convince him to reason otherwise, he must be made to understand now that it is unprofitable for him to attack innocent bystanders.

In the meantime also, we as a government have a continuing obligation to safeguard the most fundamental right of all—the right of life. There is no reason why protection of this right and of our citizens need necessarily conflict with other human rights such as self-determination and individual liberty.

[2] For Secretary Rogers' statement before the U.N. General Assembly on Sept. 25, 1972, see BULLETIN of Oct. 16, 1972, p. 425.

Ambassador Vance Represents U.S. at U.N. Narcotics Commission Session

President Nixon announced on February 6 (White House press release) the designation of Sheldon B. Vance, U.S. Ambassador to Zaïre, as the Representative of the United States to the Third Special Session of the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations, scheduled to be held at Geneva February 17–March 1. (For biographic data, see White House press release dated February 6.)

The Impact of the Middle East Crisis on the Atlantic Alliance

Following are statements by Arthur A. Hartman, Assistant Secretary for European Affairs, and Rodger P. Davies, Deputy Assistant Secretary for Near Eastern and South Asian Affairs, made before a joint hearing of the Subcommittee on Europe and the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs on February 19.[1]

STATEMENT BY ASSISTANT SECRETARY HARTMAN

In late November, when Secretary Kissinger was asked at a press conference to assess the effect of the Middle East crisis on the North Atlantic alliance, he significantly began his response by stressing that NATO remains the core of American foreign policy. Similarly, in a discussion of the subject at hand today, it is essential to place recent developments in perspective and to begin at the beginning; that is, to keep in mind that in our view nothing has changed the fact that the alliance remains the foundation of our foreign policy and remains essential to the peace, stability, and economic welfare of the world. This is why the overriding aim of our European policy during most of the past year, as you know, has been directed toward the revitalization, not the deemphasis, of the alliance. Whatever differences have arisen over the Middle East crisis or any other issue, we and our allies are convinced that NATO is still relevant and vital to the security of the West.

This is neither to make light of the differences that occurred last fall nor to withdraw one word of our critical reaction to them. But we must, especially with the distance of several months now, begin to look at the disagreement in an objective way. Only in this way will it be possible for all members of the alliance to evaluate the past and, above all, to learn from the past. This, I assume, is the purpose of your hearings today, and I approach them in this spirit.

With the outbreak of fighting in the Middle East, we devoted all our diplomatic efforts to bringing the hostilities to an end as soon as possible, to achieving a cease-fire agreement that would lead to a negotiated settlement, and finally, to limiting Soviet and radical Arab influences in the area. When the hostilities continued and when the Soviets began airlifting large quantities of military equipment to the Middle East, we confronted the threat of an Arab victory gained through Soviet arms. We had no choice but to match the Soviet airlift. The situation became still more grave, however, when the Soviets launched a series of menacing military and diplomatic initiatives, with the result that we had to place our own forces on alert. The introduction of Soviet combat forces into the Middle East, which is what was threatened, would have fundamentally altered the East-West political and military balance, with incalculable results.

Mr. Davies will develop these points in his remarks, and I outline the course of events

[1] The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

in passing only to show why we were convinced that our aims were as much in Western European interests as in our own. We also believed that the failure of the European allies to give us their fullest support not only demonstrated a regrettable lack of alliance solidarity but also placed Europe's own long-term security at risk. I should like to emphasize that we do not question Europe's right to its own view regarding the Arab-Israeli conflict in itself. What we did not understand, and what disappointed us, was the failure of the European allies to appreciate the extent of the Soviet threat in the Middle East and their consequent reluctance fully to support our operations during the crisis.

How did these differences arise? I believe there can be no question that European governments are all committed in a general way to the existence of a secure Israeli state. However, some allies have closer links to the Arabs than to Israel, and many have long had a different perception than we of the Arab-Israeli situation, at least since 1967. As a consequence, several European states —among them Greece, Turkey, and Spain— publicly declared themselves neutral in the conflict.

A more significant consideration than this was the drastic European dependence on Arab oil supplies. You have requested some precise information on this subject, and we have, in response, drawn up a chart with a country-by-country breakdown of the figures. The figures suggest why European governments in varying degrees felt themselves hostage to Arab policies. In short, the European allies simply assessed their national interests in a different way than we did ours.

The allies also differed with us regarding the relationship of the crisis to NATO. We felt the situation, as it developed in the Middle East, ultimately constituted a threat to the members of the alliance. But it is true that while the North Atlantic Treaty embodies specific commitments with respect to the treaty area itself, it does not oblige members to support the policies of other members outside the treaty area. Throughout NATO's history, member governments have had sharp disagreement over this issue. In the 1950's, for example, the French complained about our lack of support for their policy in Algeria. So it is not surprising that when last fall's Middle East conflict occurred, some of the allies observed that the alliance had never had a unified view on the Middle East.

Moreover, there were complaints that we did not keep the allies well enough informed and failed to consult with them in a timely way. It is possible, if not probable, that the European allies did not possess the information we had at our disposal; and in the crisis situation at the time we were unable to convey all this information and our evaluation of it. Most significantly, perhaps, the allies appear not to have believed that Soviet actions in the area threatened to alter the delicate balance in the Middle East in a way that could be turned against the West as a whole.

And it is over this point that the gulf in the alliance developed, with the result that the allies did not reach the conclusions we reached nor did they give us the support we thought we deserved. What we found most disturbing was that the European allies evidently did not take into account the dangers for the alliance and for the West which were inherent in the Soviet effort to upset the precarious balance in the Middle East and possibly to establish a military presence there. Although outside the North Atlantic Treaty area, the situation in the Middle East obviously affects in a vital and direct way the overall security of the members of the alliance. We have never disguised our disappointment. Both in diplomatic channels and publicly, we made our concern known to the allies.

With respect to the allied reaction to our resupply operations, I should like to make a number of observations. Here, as with other aspects of our Middle East policy, none of the allies criticized our fundamental aims or policies. However, given their neutral stance, several countries—among them Greece, Turkey, and Spain—publicly declared that our bases in those countries could not be used in connection with the Middle East crisis. The Spanish Government cited the terms of our

Estimated Oil Imports, by Source—1973

(Thousands b/d and percent of imports)

Importing country	% of total energy consumption	Total	Arab countries								Iran	Venezuela	Indonesia	Canada	Nigeria	Other
			Total	Saudi Arabia	Kuwait	Libya	Iraq	Abu Dhabi	Algeria	Other						
United States	17	6,200	1,590	590	160	350	50	160	140	140	420	1,840	250	1,100	550	450
%			25.6	9.5	2.6	5.6	0.8	2.6	2.3	2.3	6.8	29.7	4.0	17.7	8.9	7.3
Canada	27	1,000	220	80	Negl.	40	20	60	.....	20	180	470	Negl.	.....	80	50
%			22.0	8.0	Negl.	4.0	2.0	6.0	.....	2.0	18.0	47.0	Negl.	.....	8.0	5.0
United Kingdom	52	2,330	1,480	550	400	240	40	50	50	150	460	80	Negl.	.....	180	130
%			63.5	23.6	17.2	10.3	1.7	2.1	2.1	6.4	19.7	3.4	Negl.	.....	7.7	5.6
West Germany	42	2,200	1,610	480	90	550	30	110	280	70	270	40	Negl.	.....	200	80
%			73.2	21.8	4.1	25.0	1.4	5.0	12.7	3.2	12.3	1.8	Negl.	.....	9.1	3.6
Italy	93	2,410	1,930	630	200	460	390	.....	.....	250	330	20	.....	.....	10	120
%			80.1	26.1	8.3	19.1	16.2	.....	.....	10.4	13.7	0.8	.....	.....	0.4	5.0
France	77	2,690	2,070	610	310	150	350	290	230	130	220	30	.....	.....	250	120
%			77.0	22.7	11.5	5.6	13.0	10.8	8.6	4.8	8.2	1.1	.....	.....	9.3	4.5
Netherlands	57	2,070	1,380	690	380	60	10	80	20	140	440	10	.....	.....	220	20
%			66.7	33.3	18.4	2.9	0.5	3.9	1.0	6.8	21.3	0.5	.....	.....	10.6	1.0
Norway	47	140	64	20	.....	3	3	7	2	29	55	8	.....	.....	12	1
%			45.7	14.3	.....	2.1	2.1	5.0	1.4	20.7	39.3	5.7	.....	.....	8.6	0.7
Belgium/Luxembourg	[1] 60	720	550	290	120	30	30	10	50	20	100	20	.....	.....	30	20
%			76.4	40.3	16.6	4.2	4.2	1.4	6.9	2.8	13.8	2.8	.....	.....	4.2	2.8
Denmark	[1] 94	200	133	62	32	3	.....	.....	.....	36	39	.....	.....	.....	.....	28
%			66.5	31.0	16.0	1.5	.....	.....	.....	18.0	19.5	.....	.....	.....	.....	14.0
Turkey	[1] 41	160	149	66	.....	.....	29	.....	.....	54	10	.....	.....	.....	.....	.....
%			93.0	41.3	.....	.....	18.1	.....	.....	33.7	6.3	.....	.....	.....	.....	.....
Greece	[1] 67	150	134	72	.....	.....	46	.....	7	9	2	.....	.....	.....	.....	14
%			89.4	48.0	.....	.....	30.7	.....	4.7	6.0	1.3	.....	.....	.....	.....	9.3
Portugal	[1] 80	90	72	25	.....	.....	36	.....	.....	11	7	.....	.....	.....	.....	11
%			80	27.8	.....	.....	40	.....	.....	12.2	7.8	.....	.....	.....	.....	12.2
Spain	[1] 64	1,000	820	470	90	40	50	.....	110	60	120	40	.....	.....	10	10
%			82.0	47.0	9.0	4.0	5.0	.....	11.0	6.0	12.0	4.0	.....	.....	1.0	1.0

[1] 1972 data; 1973 statistics on total energy consumption in these countries are not available.

NOTE.—Oil import figures for several countries, particularly the Netherlands, Italy, and Spain, are higher than domestic consumption of imported oil since these countries are significant exporters of refined petroleum products.

base agreement. The Greek Government stated that it could not participate in any direct or indirect activities which might lead to eventual actions against the Arab states. And it was similarly the publicly expressed view of the Turkish Government that facilities available to the United States were for use only in jointly agreed NATO defense operations. But the fact is that no requests were made to these countries for landing or overflight rights. Because we could use our bases in the Azores, we did not have to depend upon overflight or landing rights elsewhere.

There has been some speculation that the differences within the alliance were, in part at least, the result of our failure adequately to consult with the allies. However, as Secretary Kissinger pointed out last fall, the facts are that the countries which were most thoroughly consulted found it most difficult to cooperate while those who were most cooperative appeared to require less consultation. Nonetheless, we informed the allies, as a result of the disagreements over the Middle East, that we were willing to review our consultation procedures and to improve consultative mechanisms where improvements seem desirable. At the December meeting of the NATO Foreign Ministers, we consequently made specific suggestions on how the alliance might intensify consultation in the future.

I am convinced that whatever strains resulted from the Middle East crisis, there has been no fundamental or permanent damage to the alliance. Proof of this, I think, is that virtually all of our European allies have been making strong efforts to be cooperative with us in the energy field.

Although there was some apprehension beforehand that the recent Energy Conference might risk a producer-consumer confrontation, the general European response to our proposal reflected a strong desire to work with us to make the conference a success and to mend whatever harm was done to relationships as a result of the Middle East crisis. This determination was quite clearly reflected in the vote of the conference on the final communique, which was unanimous except for France. But even the fact that we differed with France does not, as Secretary Kissinger said to the press at the conclusion of the conference last week, obscure the fact that close American ties with Western Europe are as essential as ever to the security of us all. We regarded such differences as existed during the conference as unavoidable at a conference of free countries, and we are convinced that the results of the conference will strengthen the alliance, for it has shown the effectiveness of full and candid consultation on a topic of overriding concern to us all.

This brings me back to the point where I began. Despite allied differences, and despite our own keen disappointment with some of the allies during the Middle East crisis, NATO proved itself strong enough to survive a situation where we had to agree to disagree. We must now look to the future: to strengthen the alliance, to reach agreement within NATO on closer cooperation and better consultation, and to decide where members of the alliance must act together and where they can legitimately act independently.

Beginning last April, Secretary Kissinger had embarked on just such a course. He asked, not in particular anticipation of this problem, that our allies join us in an effort to search for new means to carry out our common purposes and indeed to redefine these common purposes. We are well on our way to formulating these common views; and while that alone will not solve our problems, it may offer us a better basis for consultations in the future.

STATEMENT BY MR. DAVIES

I welcome this opportunity to discuss with you last fall's Arab-Israeli conflict and its impact on our relations with two of our NATO allies, Greece and Turkey. I have a brief statement to make, and then I shall be happy to try to answer your questions.

The position which the Governments of Greece and Turkey adopted during the October war naturally reflected longstanding attitudes of these two countries toward their neighbors in the Near East.

In the case of Greece, there has traditionally been a strong interest in that area not only because of geographical proximity but also because of commercial interests, including oil interests, and because of the presence of a fairly large number of Greeks residing in the Arab countries. The Greeks have also had a special interest in Jerusalem because of the presence in the Old City of the Orthodox Patriarchate. For these reasons, Greek governments have consistently sought to maintain friendly ties with the Arab nations. Greece, however, recognizes the State of Israel and maintains diplomatic relations with it. Greece has also supported the implementation of Resolution 242 of the Security Council and other U.N. efforts to achieve peace in the Near East.

Shortly after fighting began last fall, the then Foreign Minister of Greece made the following statement:

> Greece's friendly relations with Arab countries exclude any participation, either direct or indirect, in an eventual action aimed against them. That statement which was made in August 1972 not only applies also today, but in addition lies within the framework of neutrality which our position imposes in view of the military operations in the Middle East. Naturally, Greece follows with vigilance the development of the present crisis, and feels that it is time for an activation of all international factors, which are interested, but also bear responsibility for the suspension of hostilities and restoration of calm.

Later the Greek Government offered to place observers or military units at the disposal of the United Nations for dispatch to the Near East.

Though the Greek Government remained neutral during the conflict, it was also highly conscious of the increased Soviet military activity in the eastern Mediterranean and of the implications of this activity for the NATO alliance. Thus, the Greeks were fully cooperative in allowing access to our communications facilities in Greece and to other facilities, such as Athenai Airbase and Souda Bay Airfield. There were no restrictions placed on the movements of 6th Fleet vessels homeported in the Athens area, or on the use of logistical facilities for the resupply of the 6th Fleet. This security relationship was an important ingredient in the strength of the political-military posture of the United States in the eastern Mediterranean during this crisis. In sum, we consider that within the framework of its policy of neutrality, the Greek Government played a constructive role during the Near East conflict.

Turkey's history and geographic situation have led successive Turkish governments to maintain and insist upon a balanced approach to the Arab-Israeli problem. While Turkey has since 1967 tended to support the Arab view that Israel must vacate Arab lands occupied in that encounter, the Government of Turkey has resisted Arab demands that it break diplomatic relations with Israel. Last October's war, like previous Arab-Israeli conflicts, put severe strains on Turkey's neutrality but did not alter the basic orientation.

Throughout the October crisis Turkey permitted the United States the normal use of Common Defense Installations, which we and Turkey maintain in accordance with our joint defense responsibilities under NATO and U.S.-Turkish bilateral security arrangements. Recognizing the uncomfortable position in which Turkey was placed by the Arab-Israeli war, and because there were alternative routes and facilities available to us, the United States thought it best not to seek to use these installations in connection with the U.S. resupply operation to Israel. On the other hand, Turkey did not object to our use of these facilities in operations related to the U.N. Emergency Force.

The Turkish Government was quite obviously distressed by the outbreak of hostilities in the Middle East and hoped for an early end to the conflict. Subsequent to the ceasefire, Turkey has supported international efforts toward disengagement and the search for a lasting solution to the problems of the

area. The Government of Turkey recognizes that instability in the eastern Mediterranean invites pressures from outside detrimental to the stable structure of peace which the NATO countries are trying to maintain.

International Economic Report Transmitted to the Congress

Following is the text of President Nixon's message transmitted to the Congress on February 7, together with a White House fact sheet released to the press that day.[1]

MESSAGE FROM PRESIDENT NIXON

To the Congress of the United States:

Last year, when I submitted my first International Economic Report, the Nation had just concluded its involvement in a lengthy and tragic war. We were thus able to turn greater energies to building a more lasting and secure world peace.

A major part of our peace-building effort lies in resolving international economic problems, and today we can look back upon a year of progress on that front. We have strengthened our competitive position in the world. We have moved ahead toward vitally needed reforms of the world economic structure and we have improved our trade balance beyond our expectations, reflecting our ability to compete more effectively at home and abroad with foreign producers. Our strengthened trade position has in turn contributed significantly to the expansion of jobs and income for our people, and has led to renewed confidence in the dollar in the world's money markets.

One of the greatest challenges facing the international community is to overhaul our world monetary and trading systems. During this past year, I have been heartened by the progress that the Committee of Twenty, under the auspices of the International Monetary Fund, has made toward reforming the international monetary system and by the way that transitional monetary arrangements have proven effective under conditions of stress. Meanwhile, over 100 nations, meeting in Tokyo this past September, opened a new round of international trade negotiations. And the trade legislation we submitted last April has moved through the House for further consideration in the Senate.

Despite this significant progress, 1973 was also a year in which new problems vividly brought home to us the degree to which our own economy is affected by developments elsewhere. This past year the major industrial nations experienced simultaneous boom conditions for the first time since 1951. This complicated economic policy-making, demonstrating that the same interdependence which can contribute so much to world prosperity through trade can also contribute to national problems. One such problem is inflation. While we continue to attack the causes of excessive price increases within the United States, we must also realize that inflation has been a world-wide problem driving up the cost of world-traded goods.

Two new problems also arose in 1973, reminding us of the impact that other economies have upon our own: last summer's food shortages and the current oil crisis. There was an unprecedented and unforeseen surge in international demand for American agricultural products last year. The causes ranged from poor harvests abroad to food policy shifts by foreign governments, affecting their demand for agricultural imports. These significant shifts could not help but have a strong impact upon our domestic economy: on the one hand, expanded sales helped the recovery of our trade balance and helped ensure our position as a reliable world supplier of agricultural goods; but on the other hand, world-wide shortages caused our food prices to rise significantly. A num-

[1] The President's message, together with the Annual Report of the Council on International Economic Policy, is printed in "International Economic Report of the President, Transmitted to the Congress February 1974"; for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (113 pp., $2.45; stock no. 4115–00055).

ber of measures have now been taken at home and abroad to help prevent a recurrence of such problems. We have brought land back into production, we have taken every step we can to expand our harvests, and we have established an agricultural export monitoring system. In addition, we have called for a World Food Conference to meet in Rome this year, where the newly developing problems of agricultural supply and demand can be addressed by both producer and consumer nations.

The second major problem—the oil embargo and its accompanying price increases—has given us further evidence of our interdependence with other nations. While our country is relatively less dependent upon foreign supplies for our energy than are most industrial nations, these developments are adversely affecting many sectors of our economy. Again, as we have done with regard to food shortages, we have taken vigorous actions to meet energy shortages. The actions taken by the Executive, the Congress, and especially by the American people have enabled us to make significant progress. The consumption of almost every form of energy has been dramatically reduced. But much more needs to be done in order not only to alleviate the current emergency but also to assure that the United States can develop greater energy resources of its own. This January, I submitted to the Congress my third special message on energy, outlining further needed legislation. I have also invited the foreign ministers of the major oil-consuming nations to Washington this month, initiating cooperative discussions on these problems. Those who will attend this conference recognize that the large price increases announced late last year can only create hardships for the major industrialized economies and could have a disastrous impact upon the world's poorest nations.

The new problems we face are of such enormity that there may be a temptation to delay further progress toward trade and monetary reform. Nothing could be more foolish. It is particularly important that we move forward in a multinational attempt to reduce trade barriers so that individual nations are not tempted to "go it alone" in seeking solutions. I consider it essential that we continue to construct a consultative framework in which new as well as old issues can be addressed. The current trade and monetary discussions provide such a framework and also allow us to continue our long-term effort to build a more effective world economic order. To make this possible, the Trade Reform Act should be promptly passed without restrictions upon our ability to end trade discrimination against other nations.

The Annual Report of the Council on International Economic Policy provides background and analysis which should be highly useful to the Congress as it considers these complex and important issues.

RICHARD NIXON.

THE WHITE HOUSE, *February 7, 1974.*

WHITE HOUSE FACT SHEET

White House press release dated February 7

The second International Economic Report of the President, together with the Annual Report of the Council on International Economic Policy (CIEP), will be signed by the President and submitted to the Congress today. The report describes the administration's international economic policies, as well as the background realities on which policy decisions in this area must be made.

Some domestic and international economic problems which have emerged in recent months, especially the petroleum crisis, have overshadowed the improvement made in 1973 in the U.S. international economic position and the progress made toward reforming world trade, monetary, and investment systems. A few of the highlights of the report are listed below.

PROGRESS IN 1973

—Our trade balance, $6.4 billion in deficit a year ago, has recovered dramatically to a $1.7 billion surplus. The $8.1 billion swing was the largest in history. Exports grew at almost twice the rate of imports. While the value of our exports of agricultural products accounted for a large part of the improvement, exports of manufactured products also grew rapidly.

—The dollar has recovered from the depressed

rates and lack of confidence seen a year ago and is now trading on the average near the levels established at the Smithsonian meeting in December 1971. The transitional monetary arrangement of floating exchange rates has proven effective in periods of stress. Contrary to many predictions, trade has continued to grow rapidly under the flexible exchange rate system.

—U.S. Government capital controls imposed during the 1960's affecting U.S. investment abroad have been lifted. Many other countries have also removed restrictions on capital flows.

—A new round of trade negotiations was officially launched by over 100 nations at the Tokyo GATT [General Agreement on Tariffs and Trade] session in September. Work on the negotiations has progressed steadily, and a trade negotiations committee is now working at Geneva on negotiating procedures.

—The administration's Trade Reform Act has been passed by the House and is now before the Senate.

—Discussions of international monetary reform have progressed in the Committee of Twenty, and a basic outline of the reformed system is to be completed by June of this year.

—We have made substantial progress in developing better international policies toward investment. The Organization for Economic Cooperation and Development is considering U.S. proposals which will harmonize international investment policies and provide procedures and guidelines for consultations on international investment problems. The CIEP has reviewed U.S. policies toward foreign investment in the United States and recommended against imposing any new restrictions at this time.

New and Continuing Challenges

1. *Agriculture Shortages*

—Short supplies and rising prices of agricultural products were a major problem in 1973. Despite strains on productive capacity and reserves, the United States was able to make a substantial contribution to meeting the world's food needs. The coming year may see some easing of the tight supply situation, but international cooperation is needed to insure that we do not continue in a cycle of alternate overproduction and shortage. In response to a U.S. proposal, the United Nations will hold a World Food Conference in Rome in November of this year.

2. *Energy and Impact of Oil Price Increases*

—An assessment of the current energy crisis indicates that its most damaging impact will occur during the first half of 1974 and that after that the industrialized economies are likely to accelerate once again.

—The President has invited the Foreign Ministers of the major industrialized nations to Washington next week to begin the process of seeking cooperative approaches to the world's energy problems.

—If the present world petroleum prices persist through 1974, the major oil producers will receive nearly $100 billion in revenues. About half of these revenues can be spent this year on goods and services or secure long-term investments. Most will end up in short-term securities as Eurodollars or deposits.

—The overall balance of payments position of many countries (and the current account of virtually all nations) will seriously deteriorate this year because of the higher prices for imported petroleum and because there is no necessary relationship between a country's higher oil import bill and the reflow of investment funds from the oil-producing states. Some developed countries may be tempted to use import restrictions or export subsidies to overcome their balance of payments problems, with the risk of provoking a "trade war" damaging to all. The ongoing multilateral trade negotiations provide an important forum in which cooperative means of avoiding such a trend can be devised.

—The payments position of the less developed countries will be especially hurt. The higher prices they have to pay for oil this year is about equivalent to all official aid that will be received from the developed world.

—Last year the developed nations were able to negotiate a replenishment of funds for the International Development Agency—simultaneously increasing the resources of the IDA and reducing the U.S. share of contributions. Rather than letting the action of the House in voting against the IDA replenishment stand as our final answer, we will work with the Congress to insure that this nation, consistent with its own economic situation, acts responsibly to enable long-term economic development to be planned in an orderly manner.

3. *Inflationary Pressures*

—The simultaneous upswing in the world economy in 1973 benefited income and employment. It also caused product shortages. This, combined with harvest problems and huge hikes in oil prices by major petroleum exporters, caused the most serious worldwide inflation in two decades.

—In 1973 higher food prices accounted for about half the increase in U.S. consumer prices; the recent jump in world oil prices will mean that inflationary pressures will remain strong through 1974.

Other Issues

—Other sections of the report assess the impact of international technology transfer, the economic aspects of the law of the sea, and other trade and financial issues.

Current Actions

MULTILATERAL

Atomic Energy

Protocol suspending the agreement of September 18 and November 25, 1964 (TIAS 5884), between the United States, the International Atomic Energy Agency, and the Republic of Viet-Nam for the application of safeguards and providing for the application of safeguards pursuant to the nonproliferation treaty of July 1, 1968 (TIAS 6839). Signed at Mexico City October 3, 1972.
Entered into force: January 9, 1974.

Aviation

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170, 7616). Done at Vienna July 7, 1971.[1]
Ratification deposited: United States, February 25, 1974.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Accession deposited: Chile, February 28, 1974.

Exhibitions

Protocol revising the convention of November 22, 1928, as amended (TIAS 6548, 6549), relating to international expositions, with appendix and annex. Done at Paris November 20, 1972.[1]
Signatures: Austria (subject to ratification), September 28, 1973; Portugal (subject to ratification), November 29, 1973; Romania (subject to ratification and with reservation), November 8, 1973.

Judicial Procedure

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague November 15, 1965. Entered into force February 10, 1969. TIAS 6638.
Ratification deposited: Portugal, December 27, 1973.

Ocean Dumping

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington December 29, 1972.[1]
Signatures: Belgium (with reservation), September 25, 1973; Greece (with reservations), November 9, 1973; Ireland, December 31, 1973; Monaco (with declaration), October 5, 1973; Togo, November 21, 1973.

Oil Pollution

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels November 29, 1969.[1]
Ratification deposited: United States, February 21, 1974.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.
Accession deposited: Cyprus, March 1, 1974.

Operating agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annex. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.
Signature: Cyprus Telecommunications Authority of Cyprus March 1, 1974.

Trade

Ninth procès-verbal extending the declaration on the provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Geneva November 7, 1973. Enters into force between Tunisia and any participating government as soon as it has been accepted by Tunisia and such government.

BILATERAL

Brazil

Agreement relating to the continued operation of the Doppler geodetic satellite tracking station in Brazil. Effected by exchange of notes at Brasília December 4, 1973, and February 12, 1974. Entered into force February 12, 1974.

India

Agreement on Public Law 480 and other funds, with annexes. Signed at New Delhi February 18, 1974. Entered into force February 18, 1974.

Malta

Agreement extending the agreement of June 14, 1967, as extended, relating to trade in cotton textiles. Effected by exchange of notes at Valletta February 15, 1974. Entered into force February 15, 1974.

Peru

Agreement concerning the settlement of certain claims, with annexes. Signed at Lima February 19, 1974. Entered into force February 19, 1974.

[1] Not in force.

Sri Lanka

Agreement amending the agreement for sales of agricultural commodities of November 23, 1973 (TIAS 7753). Effected by exchange of notes at Colombo January 18 and February 21, 1974. Entered into force February 21, 1974.

Viet-Nam

Agreement amending the agreement for sales of agricultural commodities of August 29, 1972 (TIAS 7452). Effected by exchange of notes at Saigon February 8, 1974. Entered into force February 8, 1974.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on February 27 confirmed the following nominations:

David B. Bolen to be Ambassador to the Republic of Botswana, to the Kingdom of Lesotho, and to the Kingdom of Swaziland.

Davis Eugene Boster to be Ambassador to the People's Republic of Bangladesh.

Donald B. Easum to be an Assistant Secretary of State [for African Affairs].

Robert E. Fritts to be Ambassador to the Republic of Rwanda.

Marshall Green, now Ambassador to Australia, to serve concurrently as Ambassador to the Republic of Nauru.

Martin F. Herz to be Ambassador to Bulgaria.

A. Linwood Holton to be an Assistant Secretary of State [for Congressional Relations].

Max V. Krebs to be Ambassador to the Republic of Guyana.

Philip W. Manhard to be Ambassador to Mauritius.

David L. Osborn to be Ambassador to the Socialist Republic of the Union of Burma.

Thomas R. Pickering to be Ambassador to the Hashemite Kingdom of Jordan.

Armistead I. Selden, Jr., to be Ambassador to New Zealand and to serve concurrently as Ambassador to Fiji, to the Kingdom of Tonga, and to Western Samoa.

PUBLICATIONS

GPO Sales Publications

Publications may be ordered by catalog or stock number from the U.S. Government Printing Office Bookstore, Department of State, Washington, D.C. 20520. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Background Notes: Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock—at least 140—$16.35; 1-year subscription service for approximately 77 updated or new Notes—$14.50; plastic binder—$1.50.) Single copies of those listed below are available at 25¢ each.

Bahamas	Cat. No. S1.123:B14	
	Pub. 8329	4 pp.
Greece	Cat. No. S1.123:G81	
	Pub. 8198	8 pp.
Malaysia	Cat. No. S1.123:M29	
	Pub. 7753	8 pp.
Nepal	Cat. No. S1.123:N35	
	Pub. 7904	8 pp.
Niger	Cat. No. S1.123:N56	
	Pub. 8293	6 pp.
San Marino	Cat. No. S1.123:SA5	
	Pub. 8661	4 pp.
Switzerland	Cat. No. S1.123:SW6	
	Pub. 8132	8 pp.

Status of the World's Nations. This Geographic Bulletin, in its fifth revision, provides the nomenclature used by the U.S. Government for the 148 independent nations, and nonindependent states as well. World map included. Pub. 8735. 20 pp. $1.05. (Cat. No. S1.119/2:W89).

Agricultural Commodities. Agreement with Viet-Nam amending the agreement of August 29, 1972, as amended. TIAS 7710. 3 pp. 25¢. (Cat. No. S9.10: 7710).

Technical Assistance in Tax Administration. Agreement with Trinidad and Tobago. TIAS 7712. 11 pp. 25¢. (Cat. No. S9.10:7712).

Space Research Program. Agreement with Australia. TIAS 7713. 3 pp. 25¢. (Cat. No. S9.10:7713).

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to February 25 which appear in this issue of the BULLETIN are Nos. 62 of February 21, 66 of February 23, and 67 of February 24.

No.	Date	Subject
†68	2/25	Meeting of energy Coordinating Group (rewrite).
*69	2/25	Study group on Hotelkeepers' Liability, Secretary's Advisory Committee on Private International Law, New York, Feb. 28.
*70	2/28	Seminar on technology exchange with the U.S.S.R.
†71	2/28	Department releases 1974 edition of "Treaties in Force."
*72	2/28	U.S. and Malta sign cotton textile agreement.
*73	2/28	Pickering sworn in as Ambassador to Jordan (biographic data).
†74	2/28	Casey: seminar on technology exchange with the U.S.S.R.
†75	2/28	Casey: Public Affairs Council.
*76	2/28	Holton sworn in as Assistant Secretary for Congressional Relations (biographic data).
*77	3/1	Donaldson: San Francisco regional foreign policy conference, Feb. 28 (as prepared for delivery).
*78	3/1	Study group 5 of the U.S. National Committee for the CCITT, Mar. 28.
*79	3/1	Study group on International Sale of Goods, Secretary's Advisory Committee on Private International Law, New York, Apr. 5.

*Not printed.
†Held for a later issue of the BULLETIN.

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The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Challenges of an Interdependent World

Address by William H. Donaldson
Under Secretary for Security Assistance [1]

It has been said that "the history of free men is never really written by chance but by choice—their choice." The current pace of U.S. diplomacy, encompassing such new dimensions as détente, vigorous dialogue with our allies, and other urgent global problems such as energy, food, and inflation, creates an environment of unprecedented complexity and change. Moreover, the international agenda confronting this nation seems to grow longer each day. As a result, we face the necessity for developing a new American consensus concerning our role in the world and the consequent need for a fundamental restructuring of our foreign policy aims and objectives. This is the challenge confronting the United States today. We can seize this unique opportunity to determine our own destiny by actively sharing in the shaping of the evolving global order, or we can become rigid in our posture and face the prospect of being literally overwhelmed by the complexity of an increasing integrated and interdependent world.

The United States is at a moment of choice, a time for fundamental decisions on the shape and the content of her role in the world. If the decisions of this nation are to be equal to the opportunities before it, they will have to be developed through a continuing dialogue between Americans and their government—the kind of dialogue I hope we can carry forward today.

Paul Tillich wrote that the central problem of modern man is to learn to live comfortably with ambiguity. The assumptions and certainties that have guided U.S. foreign policy during the past decades have been eroded and diminished. Now the rush of events, the uncertainty about political and philosophical reference points, the complexity of the issues, can all too easily produce a sense of futility. Yet the flux and change of the familiar gives us the opportunity to choose. And the consequences of our choice make it essential that we choose well.

To choose at all, we must first determine where we are.

It is evident that the international environment has dramatically changed. For the decade following World War II the United States was preeminent in the world. But changed conditions, many of them produced by the success of our policies, have ended this preeminence. Power, once concentrated and homogeneous, has been diffused and transformed.

—Our allies in Europe and Asia have recovered their self-confidence and economic strength.

—The Soviet Union after years of effort is increasingly able to exercise its power on a global scale and has achieved approximate equivalence in strategic nuclear weapons.

—China has established an independent identity and presence.

—In the developing world individual nations have gained both economic strength and political vitality.

—Perhaps most important, the nature of

[1] Made at San Francisco, Calif., on Feb. 28 before a regional foreign policy conference cosponsored by the World Affairs Council of Northern California and the Department of State (as delivered).

power has been drastically altered. Once political, military, and economic power were closely related. But in the modern world, military muscle is not by itself the guarantor of political authority; economic giants can be politically weak; countries can exert great political influence without possessing either military strength or economic might. These are the conditions—most dramatically and recently demonstrated by the oil crisis—which underline a new era of global interdependence, an era in which nations are forced to face problems that they cannot solve alone, even though for many a sense of their special strengths tempts them to try.

This nation and all nations face the reality that the changing currents of the 1970's offer no guarantee that stability and creativity will emerge from the forces that are being unleashed.

Alternatives to Cold War Structure

Thus in 1974, the task of statecraft and the challenge to statesmanship are to move decisively and intelligently to create something constructive and hopeful in the place of a cold war structure that is ending. We seek a network of relations and interdependencies that restrains the arbitrary use of power—a network that removes the incentive for war and deepens the stake in peace.

We are no longer locked with the Soviet Union and the People's Republic of China in a relationship of total hostility and distrust. The seeds of something more positive were sown during the President's visits to Moscow and to Peking, visits which defined the principles which would govern our relations with each other. While competition between us will continue, with both nations we are committed to avoiding the pursuit of unilateral advantage and to building instead cooperative relationships.

Within these principles we pursue a policy of détente. Détente is not based on a judgment that there are no conflicts of interest—political, military, economic, and strategic—between ourselves and those two powers. Détente does not mean that we are blind to the very profound differences in ideology and values between our system and theirs. Détente does not mean that we approve of the domestic decisions in the Soviet Union or in other Communist countries.

Détente instead is founded on a belief that when nations hold the power to destroy each other and the world many times over, it is irrational to base peace solely on the threat of holocaust. We seek therefore to place our relationship on a more stable, positive basis through agreements and continuing dialogue with both Moscow and Peking. Significantly, the 1972 strategic arms limitation agreements with the Soviet Union are the first steps in bringing the arms race under control. The continuing SALT [Strategic Arms Limitation Talks] negotiations in Geneva, the 1973 agreement on the prevention of nuclear war, and negotiations in Vienna on reduction of armed forces in Central Europe are all parts of this continuing effort to build security against the dangers of conflict. Beyond these essential foundations, however, we believe that our new relationships should evolve across a broad front of interrelated efforts. Economic, cultural, and human contacts should develop in concert with increased understandings as to political and security subjects.

In this context, let me speak specifically of trade.

Because we seek to build in positive incentives, we are asking Congress for discretionary authority to offer, when it is in our interest to do so, normal trade relations to any country, including Communist nations. Unfortunately the term involved—"most favored nation"—has led to a great misunderstanding. In fact it only means conducting trade on the same terms as we already do with nearly all other nations in the world.

Strong, healthy alliances with old friends in Europe and in Asia are the foundation on which we can build new relations with others. Thus the adjustment and invigoration of our alliances has been a major purpose of our foreign policy.

As tensions in Asia and Europe recede, as Europe seeks unity, as the economies in Japan and in Europe prosper, our ties to old

friends compel this adjustment. Security and prosperity—the goals of our unity—test our cohesion. With Europe and with Japan there is a danger that we may define our relationship by the degree of our competition rather than the firmness of our association.

To assure that the relations with our European partners would serve the future as well as the past, in 1973 the United States called for a new initiative to infuse this relationship with a sense of common achievement and joint destiny, with a new dynamism and vision.

Now we have almost completed the work on declarations with our European friends which should provide inspiration to our peoples and give an alliance formed in peace a new positive purpose. We want to associate with Japan in this endeavor.

Any lasting structure of international relations will only emerge through the participation of the developing nations, where two-thirds of mankind lives. The political and economic vitality of these nations makes their participation both possible and essential. The Nixon doctrine is our response to this possibility and this necessity and is based on three fundamental concepts:

—First, we are committed to assisting the developing nations in their efforts to bring a better, more secure life to their citizens. Our commitment rests on this country's sense of justice, history of humanitarian concern, and a deepened sense of economic interdependence. We also know that we cannot expect the support of poorer nations on issues of importance to us if we do not show a continuing commitment to the issues of greatest importance to them, most particularly development.

—Second, our strengths must supplement, not replace, the efforts by the developing nations themselves. In reducing our involvement we do not seek to lessen our burden. Rather our goal is to evoke the maximum effort for development and for defense from those most directly concerned.

—Third, we will distinguish among developing nations and areas, not to discriminate among them but to realistically recognize the uniqueness of each so that our policies can most effectively realize our mutual goals.

Energy and Interdependence

Now let me turn to a current responsibility of mine within the State Department, your most painful problem, and our mutual obsession—energy. The energy crisis has brought together in one issue all the strands of our foreign policy. Two dimensions stand out:

—First, it is a long-term problem affecting all nations, one accentuated by the Middle East conflict, but one whose seeds were sown well before the October war and one which will outlive that conflict by many years.

—Second, the urgency and nature of the problem compel a massive cooperative international effort.

Although launching such an effort is a painful process, success in its launching can make the energy crisis a cohesive rather than a divisive force in the world. We are encouraged by the results of the Washington Energy Conference to believe that a cooperative world is both possible and a mutual goal and that abundant energy can be developed for all nations.

The conference stimulated an awareness of the consequences of "going it alone." The initial temptation in recent months to seek narrow national advantage from this crisis has threatened to pit Japan, Western Europe, and the United States against one another in unlimited competition for the world's limited resources, thus irreparably damaging our alliances. It has also threatened to engulf all nations, producers and consumers alike, in a dangerous spiral of inflation, monetary and trade disruption, and global economic recession.

Failure to meet the challenge of energy threatens the entire fabric which holds the world's security and economy together.

The immediate problem we confronted was that in the framework which existed, the energy-producing nations had no alternative except to attempt to maximize their short-term benefits. They could not assess the im-

pact on themselves of the changes in the economies of the consuming nations that were caused by their actions. Nor could the developed consumer nations measure the impact of unrestricted competition on the whole fabric of their relationship. And there was no clear concept of the potentially irreparable damage which might be done to the developing nations by decisions that certainly did not take all the consequences into account.

The energy crisis confronts us with three specific difficulties: first, the oil embargo; second, the shortage of supply; and finally, the quantum increase in prices.

The embargo against the United States is increasingly inappropriate in view of our role as the principal nation engaged in the search for a just and durable peace in the Middle East. We have reason to believe that the producer nations are beginning to share this perspective.

Lifting the embargo without increasing production would not solve immediately the world's long-term need for abundant energy. The explosion of demand has outstripped the incentives of producers to increase production. Inflationary pressure in the consumer countries have tended to create incentives to withhold production. This is especially true in a sellers' market, where the producing countries can increase their income by raising prices rather than output.

But there are hopeful signs. World demand has been reduced in recent weeks—partly because of rising prices—and may well remain below last September's level. Thus we may be at the beginning of a dramatic change in the long-term outlook for the world petroleum market. Determined conservation efforts in the consuming countries and vigorous pursuit of alternative energy sources can further reduce the rate of growth in demand for oil.

The most immediate and critical problem concerns price. Current price levels are simply not sustainable. At these levels, the industrial countries alone will incur a current account deficit of between $36 and $40 billion in 1974. Such large increases in cost would seriously magnify both unemployment and inflation in the importing countries. Pressures for selfish restrictive measures could become irresistible, and a general decline in world trade would inevitably follow.

To meet these problems the Energy Conference in Washington three weeks ago set as its goal a new framework of global cooperation and understanding—understanding by the consuming nations of the economic aspirations of the producers and understanding by the producing nations of the vulnerability of the world economy to dramatic changes unilaterally imposed on free market conditions. We must insure that the producers have a secure stake in an expanding global economy and the consumers a secure source of supply. We will be moving vigorously in the next few months to attempt to achieve this goal.

Equally important, we will be striving with the major consuming nations to conserve available supplies, to develop alternative sources of supply, and through research and development exchange, ultimately to find the means to assure energy abundance for all nations.

I have just come from the first meeting of the Coordinating Group established by the Washington Foreign Ministers conference. We are beginning to take the first steps toward a specific program of cooperation. But we should not be lulled by the progress to date. We still confront a major intellectual challenge, in my view, in devising a program adequate to the complexities of the energy problem and a major political challenge in jointly making the political act of will required to commit our nations to fulfilling such a program.

Radically Altered International Environment

Resolution of the energy problem is important by itself. But it is also, and more significantly, a test of man's ability to create a framework of cooperation for tomorrow, to set a pattern for the issues of the future. The energy crisis this year and the food crisis last year signaled the beginning of a new era for

America and for the world—an era of interdependence.

We must recognize that interdependence is a fact, not a choice.

—It is a fact that during the 1960's world trade grew 8 percent annually, while world production grew 5 percent annually, thus creating an increasingly integrated global economy.

—It is a fact that a dramatic rise in the price of petroleum initiated by some countries can lead directly to famine in other countries.

—It is a fact that of the 13 basic raw materials required by a modern economy, the United States in 1950 was dependent on imports for more than half of its supplies of only four, by the 1970's the list had grown to six, and by 1985 it is projected to grow to 9 out of 13.

In short the world's rapidly growing interdependence has created a radically altered environment in which governments must develop and pursue in an integrated manner, both foreign and domestic policies.

—This new environment has effectively linked foreign and domestic policies. Hunger, pollution, inflation, the scarcity of raw materials, cannot be resolved on a national basis.

—Short-term national decisions must be based on long-term international perspectives. As the energy and food shortages demonstrate, no nation can determine its own destiny in an atmosphere of constant and unexpected crisis. We must begin to foresee and resolve global problems or the complex fabric of modern society will be shattered by repeated and unexpected shocks.

—Interdependence can bring confrontation as well as cooperation. Nations will protect their vital national interests. If the members of the world community are being drawn into proximity at an accelerating rate, it is a proximity for which many are politically unprepared, for which certain institutions are presently inadequate, and for which there are virtually no precedents in diplomacy. We can either acknowledge our interdependence and cooperate in its management or literally consume ourselves in nationalistic rivalry which the realities of interdependence make suicidal.

This can be a year of qualitative advance in our consciousness of the necessity for cooperation. For in 1974 we are addressing an unprecedented agenda in conferences on energy, food, population, the oceans, trade, and monetary problems. Americans can take pride in the fact that the United States proposed, or joined in proposing, each of these conferences. We must approach the challenge we have set for ourselves with a larger vision of the world we are seeking to create.

As I have already noted, this country is now in the position of conducting its foreign relations as most nations have done throughout history—applying limited means to clearly defined objectives. Now, as we seek to define what means we will make available and what will be our objectives, there are many fundamental choices we will have to make together. For unless we develop a national response, our foreign policy will increasingly become a matter controlled by partisan rather than national interest. As a start toward a national dialogue and ultimately consensus, let me suggest some questions which I believe we must answer:

—Is there a rational alternative to pursuit of détente? Can we responsibly base our hope for peace only on the threat of holocaust—on an uneasy equilibrium between hostile giants? If not, how do we bring about and sustain a more positive relationship? We believe it is possible by building into our relationships with China and with the Soviet Union vested interests in cooperation and in restraint. Do others who question the purpose of détente doubt its necessity?

—What is the proper purpose of foreign policy in relations with differing systems? Americans are deeply concerned with the liberty of our fellow man. Some argue that we must express this concern by confronting other nations with demands to change their domestic policies. But perpetual confronta-

tion threatens to weaken our own democratic liberties. And such international confrontation sustains, in my view, rather than eases domestic repression in foreign nations.

—What is the level and the composition of the military threat to us and to our allies and how do we most effectively meet it? What kind of forces must we have to maintain the confidence of our allies and the respect of our adversaries? This is not an academic exercise. The Middle East showed that. Now, as we move further into the Strategic Arms Limitation Talks with the Soviets and the negotiations to reduce the military forces in Central Europe, we must establish a defense philosophy that meets our needs and that we can support as a nation.

—What is the nature of our alliances? Can we afford to act as if the threat that produced them has ended when it has only receded? If not, what costs are we willing to bear to maintain them? Should we not see our alliances as vital building blocks in an interdependent world, not as only links in a defensive chain?

—What is the nature of sovereignty in an interdependent world? The United States better than most countries can pursue a policy of autarky. But we cannot prosper, and we cannot remain secure, if we are isolated from our allies. Are there any alternatives to proceeding further down the road of cooperative interdependence, knowing that if we do not we will pay a very high price as nations plunge into reckless competition for scarce goods and resources?

We owe it to this and future generations that our answers be the correct ones. We have to find in ourselves the ability to deal with nuance, the confidence to move easily with complexity, the strength to accept the dilemmas that are thrust upon us without shrinking.

This is a wholly new challenge for America, but as we approach our 200th anniversary we can display to the world by the breadth of our vision and the strength of our purpose that these two centuries have brought not the weariness of old age but the wisdom of maturity.

President Nixon's News Conference of March 6

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Nixon in the East Room of the White House on March 6.[1]

. . . . .

Q. Mr. President, Secretary Kissinger has reported to you on his recent Middle East mission. Did he bring an optimistic report on the lifting of the oil embargo?

President Nixon: The oil embargo is a matter the discussion of which would not serve a useful purpose at this time, except to say that a meeting is now scheduled, as I understand it, on the 11th of March by the oil-producing countries.

It will not take place in Egypt, I think, which of course is not an oil-producing country but where apparently the Egyptians have some influence on that decision.

However, as I pointed out about 10 days ago in my news conference, progress on the diplomatic front, while it is not linked to lifting of the embargo, inevitably has an effect on it.

We have had progress on the diplomatic front, first the settlement for the disengagement on the Egyptian front, and second, while it is an even more difficult problem than the Egyptian disengagement, the agreement of the Syrians and the Israelis to come to Washington two weeks from now to discuss how a disengagement can be worked out on the Syrian front.

The United States will use its influence just as strongly as we can with both parties to get a disengagement on the Syrian front, as quickly as possible, which is just and equitable to both sides.

We believe that the progress, the motion I should describe, that is taking place on the diplomatic front, will inevitably have a constructive effect on the oil-producing companies [countries] insofar as their decision

[1] For the complete text, see Weekly Compilation of Presidential Documents dated Mar. 11.

on the embargo, but I am going to leave that decision to them because indicating what they will do might lead them to do otherwise.

. . . . . .

Q. Mr. President, you met this week with the leaders of the Appropriations Committee, partly in regard to the defense budget, and later Senator McClellan said he would favor slashing $3 billion from the budget, which as you know is nearly $90 billion—higher than in wartime. Would you tell us if you think that is a dangerous cut, and if so, why?

President Nixon: Senator McClellan told me that he wanted to cut the budget $3 billion, and he is a watchdog of the Treasury—and, incidentally, so is Congressman Mahon. They both indicated they wanted to cut the budget. However, neither of them indicated that they wanted to take the muscle out of defense.

I would say the primary part of our discussion was with regard to the necessity for having the defense budget where it was. I also pointed out to them, because Senator McClellan was particularly interested in this, that we were negotiating at this time for a mutual balanced reduction of forces in Europe. I said in order to accomplish that, we had to maintain our forces at the present level in order to get a reduction on the other side, rather than to do it unilaterally.

I believe, finally, that Senator McClellan and Chairman Mahon will be responsible, and the cuts, if they are made, will be ones that will not weaken the United States.

. . . . . .

Energy Coordinating Group Meets at Washington

The Department of State announced on February 25 (press release 68) that the first meeting of the energy Coordinating Group established by the Washington Energy Conference was held at Washington that day.

The U.S. delegation was headed by Under Secretary for Security Assistance William H. Donaldson, who chaired the meeting, Federal Energy Administrator William E. Simon, and other U.S. officials. They were joined by senior officials from the countries participating in the group, which include Belgium, Canada, Denmark, the Federal Republic of Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, and the United Kingdom.

The meeting addressed the organizational aspects of the Coordinating Group, such as chairmanship and time and place of future meetings, and began examination of the work program and modalities to implement the decisions of the Washington Energy Conference.

Japan and Its Relationship With the United States

Address by Robert S. Ingersoll
Assistant Secretary for East Asian and Pacific Affairs [1]

I have just completed a six-week journey which took me to virtually every country in East Asia and the Pacific. These travels, and the opportunities they presented to talk with scores of governmental, business, and academic leaders in 14 countries, impressed me with the vitality of East Asia, the ever-increasing economic interdependence of the Pacific Basin, and the extraordinary breadth of U.S. political, security, and commercial interests throughout the area.

Everywhere I went I saw evidence of the fundamental importance of preserving close, cooperative relations with Japan. Throughout the Pacific area statesmen recognize our security ties with the Japanese as a fundamental pillar of regional stability. The economic prosperity and growth prospects of the area depend heavily on continued U.S. and Japanese economic assistance, investment funds, and access to our respective markets. The political calculations of regional leaders are premised to an important extent on the continuation of a close, cooperative relationship between Tokyo and Washington. I return more convinced than ever that wise management of our relations with Japan will promote the advancement of U.S. interests throughout East Asia; conversely, mismanagement of those relations will surely have a "multiplier effect" on difficulties we can expect elsewhere.

In speaking today about U.S.-Japan relations, instead of dwelling on current issues or possible future problems and opportunities I would like to offer a few brief observations on a curious paradox which struck me with increasing force during my tenure in Tokyo: Despite the repeated success we and the Japanese have had in surmounting practical problems in our bilateral relations, the appearance of every new source of friction invariably gives rise to anxious official soul-searching and widespread journalistic speculation about the survival of the relationship itself. The durability of the U.S.-Japan relationship is demonstrated by its survival of periodic crises; yet doubts about its resilience and adaptability persist.

What accounts for the successful management of practical difficulties? Why do Americans and Japanese frequently overreact to each new problem? What can be done about this?

There is certainly no question about the fact that our relations with Japan have undergone a profound transformation and adjustment to novel conditions in recent years.

Politically we are both pursuing efforts to improve our ties with the major Communist powers. Recurring references to the so-called "Nixon shock" of July 1971 notwithstanding, the somewhat different approaches we have both developed for dealing with China, the Soviet Union, and the divided countries in Korea and Indochina have proved mutually compatible, and their evolution has been marked by continuing and frank consultations.

Two years ago our security relations with Japan were an extremely contentious issue in Japanese domestic politics. Since that time, however, the Okinawa reversion issue has

[1] Made at San Francisco, Calif., on Feb. 28 before a regional foreign policy conference cosponsored by the World Affairs Council of Northern California and the Department of State.

been finally removed from the agenda of our bilateral relations. Adjustments in our relations with China have transformed the Mutual Security Treaty from an instrument of containment into a key element of an evolving security system in which all the major powers in Asia have a stake. An end to U.S. involvement in the Viet-Nam conflict removed a critical source of emotional opposition to the U.S. presence in Japan. The orderly consolidation of our military facilities in Japan—formulated and implemented with the administrative and financial assistance of the Japanese Government—has rationalized our use of scarce land, permitted us sizable budgetary savings, and lanced potentially troublesome political problems in heavily populated areas of Japan. The refinement of consultative channels has facilitated the "smooth and effective" implementation of the treaty and enables us increasingly to anticipate rather than merely react to problems.

Perhaps the most dramatic adjustments have taken place in the trade field. In 1972 we ran a $4.2 billion bilateral deficit with Japan. In 1973 this figure was reduced to $1.3 billion—a remarkable turnaround in a single year. The recovery of the Japanese economy from its 1972 slump surely helped, as did the general inflation of world commodity prices. Equally important, however, the Japanese, acknowledging their own economic strength and their own stake in reciprocal treatment in foreign markets, eliminated a host of outdated restrictions on the import of goods and capital, modified longstanding export promotion practices, revalued their currency, introduced an expansionary budget and adjusted their distribution system—thereby promoting a sharp increase in imports, especially from the United States.

Thus, whether one looks at political, security, or commercial relations, important adjustments have been made, problems have been resolved, points of contention have been eased or removed, the benefits of cooperation have been sustained even as the methods and terms of cooperation have in some cases been significantly redefined.

"Fine Tuning" the U.S.-Japan Relationship

In the light of this experience it is all the more surprising that so many people devote so much time and attention to an exercise one of my colleagues in the State Department calls "taking the temperature of the U.S.-Japan relationship." Too many people expend too much energy worrying whether the appearance of any symptom of ill health may signal the demise of the patient. Perhaps this reflects historic memories of rivalry. It is testimony to the fact that, unlike some other American alliances, our relations with Japan are not underpinned by a common language, religion, or cultural legacy. They are, however, grounded in an extraordinary range of common interests. And I believe that it is high time we stop worrying about the survival of cooperative U.S.-Japanese ties and focus our attention on the important business of "fine tuning" the relationship to the changing requirements of a rapidly changing world.

By fine tuning the relationship, I mean adjusting the policies of both governments to meet new problems or accommodate new developments in old problem areas. As we go about this business, we might well keep the following propositions in mind:

—It is neither desirable nor possible to escape the imperatives of our political, economic, and strategic interdependence with Japan. The tangible and intangible benefits of that association are extraordinarily diverse and rich. Our well-being as consumers—with a stake in fighting inflation—the prosperity of many of our industries, our ability to project our influence effectively onto the Asian scene, our capacity to promote the further relaxation of tensions in areas of former conflicts in Asia all depend importantly on the preservation of close, mutually beneficial relations with Japan. We are not mere temporary allies; we are destined to be permanent friends.

—Obviously, between societies as dynamic as ours and economies as competitive as ours there will be constant sources of friction. The problems of trade and money and energy, moreover, directly engage the interests of a

host of powerful domestic interests in both countries. Accommodating the interests of domestic constituencies with the requirements of international cooperation can be difficult as well as time consuming and frustrating. But it is an essential task, and it is a sign of maturity that we and the Japanese are not sweeping thorny problems under the rug but dealing with them head on and in an increasingly open and hardheaded manner. There is a difference between not ducking problems and being panicked by them. Better an occasionally stormy marriage than a quiet, sullen divorce.

—We need to discriminate more carefully between differing circumstances and diverging interests. Obviously, important differences will continue to mark the security, economic, and political circumstances of Japan and the United States. The United States possesses strategic military power with a global reach; Japan's military posture is confined to limited conventional armaments designed exclusively for the defense of the Japanese home islands and the Ryukyus. Commercially we sell Japan primarily foodstuffs, raw materials, and high-technology items while we purchase in return a wide variety of consumer and industrial goods. Politically, we have articulated a rather comprehensive design for a structure of world order; the Japanese are developing a broader vision of their political responsibilities, but Japanese instincts have been shaped by the pursuit for most of the past two decades of a "low" foreign policy profile. We can dwell too much on such differences. Complementary relations are forged by peoples experiencing different circumstances, yet pursuing converging aims.

—Fine tuning U.S.-Japan relations will require constant attentiveness to opportunities to upgrade the common interests. In our bilateral trade, for example, comparative advantages will shift over time, as will our respective balances of trade and payments. But we have a common stake in promoting a rapid expansion in the overall volume of trade and in assuring the principle of reciprocity. Such common interests are sometimes more readily discernible if the focus is shifted away from the bilateral context to a wider multilateral framework. Indeed that is precisely what we are attempting to accomplish in the trade and monetary fields. Having achieved a more equitable and reciprocal bilateral trade balance and more appropriate relationship of currency values, we are seeking to reform the monetary system and roll back additional tariff and nontariff barriers to trade through multilateral negotiations in the GATT and IMF [General Agreement on Tariffs and Trade; International Monetary Fund].

Politically, we are also seeking to strengthen the multilateral dimensions of U.S.-Japan relations. Once those relations were defined principally against the backdrop of a bilateral security treaty and a bilateral trade relationship. As we both diversify our political and economic relationships, I believe we are developing a more complete and more detached appreciation of the broad range of interests we share.

Multilateral and Bilateral Solutions

We are looking for a coherent framework within which we may approach new problems in a cooperative way. It is increasingly apparent that the issues most central to the livelihood of our peoples and the policy concerns of our governments—the stability of currencies, the rules governing international trade, assuring adequate supplies of energy at reasonable prices—cannot be met by either the United States or Japan in isolation. They will not yield to bilateral solutions. Nor can they be treated within an essentially Atlantic framework. They are global problems. But they engage the interests of the advanced industrial democracies of Western Europe, North America, and Japan most immediately and most extensively. We think that the elaboration of more intensive modes of cooperations among those countries is an essential part of any serious effort to cope with these problems. It was with this in mind that we have been seeking to associate Japan with our endeavor to work out a Declaration of Principles with other advanced industrial democracies.

I have been suggesting that we need to avoid being panicked by problems, that we need to cease worrying so much about the durability of cordial U.S.-Japanese relations, and that we need to recognize that the central task is one of adjustment. But where is the fine tuning most likely to be required in the near future?

In the bilateral area fewer critical adjustments seem required than has frequently been the case in the past. We will obviously have to keep a sharp eye on trade problems. The rising cost of energy supplies will provide us both with incentives to cover the costs through expanded exports. But all consumer nations face rising costs; all cannot, obviously, run trade surpluses with each other.

The Japanese have substantially liberalized restrictions on foreign capital investment in Japan. They are also rapidly becoming a major creditor nation and a potent source of overseas investment funds, as I hardly need tell a California audience. This is to be welcomed. We all stand to gain from freer flows of capital as well as goods. But of course we can also expect some problems. Japanese businessmen—as well as our own—are having to learn to be good citizens of countries in which they are developing their business ventures. In Japan, American firms have had to adjust to a different pattern of labor-management relations. For our part we hope that as the Japanese expand their investments in the United States, they will find employment-generating projects especially attractive and not concentrate too much in real estate and recreational investments. Geographical dispersion throughout the country would also be desirable.

In the security area we will have to make continuing adjustment in the structure and functioning of our bases in Japan to suit the realities of both countries. And of course there will be an even greater need in the future for a sophisticated dialogue on security issues as we both adjust our defense postures and our diplomatic strategies for dealing with the changing realities of the Asian scene.

In the multilateral area the most demanding challenges for fine tuning are likely to come in the field of energy and natural resources. Clearly our national situations are vastly different. For the United States, achieving self-sufficiency in energy supplies is a plausible possibility and policy objective. For the Japanese it is an impossible dream. Diversification of sources rather than self-sufficiency of supplies is the central aim of Japan. But it is misleading to suggest, as some have, that contrasting requirements and vulnerabilities necessarily dictate diverging policies. On the contrary, we share with Japan a host of common interests in this field.

—As the world's largest importers of petroleum we share a stake in avoiding forms of competition that will merely bid up the prices for everyone while creating chaos in world oil markets and stimulating political rivalries.

—As advanced countries which consume a disproportionate share of world energy and raw material supplies, we have a common interest in imposing restraints on the rate of increase in demand for increasingly scarce supplies and in developing more efficient means of utilizing fuels and industrial raw materials.

—As technically sophisticated countries with mounting energy requirements, we have an opportunity to pool our research and development efforts in order to obtain alternative energy sources without wasteful duplication of effort.

—As nations whose prosperity depends on the successful development of generally accepted rules for managing the international economic system, we have an obvious stake in developing a stable pattern of consumer-producer relations in the energy field and managing the massive shift of oil dollars to the OPEC [Organization of Petroleum Exporting Countries] countries in a manner that is consistent with a liberalization of world trading arrangements, stabilization of the international monetary system, and the promotion of continued economic growth in the less developed countries.

This is not to say that there will be no

elements of competition between us in this field. We can expect difficulties in coordinating our national policies. But within this broad framework of common and complementary interests, the harmonization of policies should be possible. It is certainly necessary. That appropriate adjustments can be made was clearly demonstrated by the broad areas of agreement developed between us at the Washington Energy Conference held earlier this month.

Looking back over the years since World War II, both Americans and Japanese can take pride in the relationship that has been forged between these two societies so alike and so different in many ways. In breadth and depth that relationship has no equal in the history of contact between East and West. This has not been the work of governments alone; individual private groups and a variety of organizations have contributed mightily to this accomplishment. We all now must share in the task of refining and adapting this relationship to meet the challenges and opportunities which lie ahead. The reward for our success will be the contribution we shall make thereby to building that structure of lasting peace on which the happiness and prosperity of our people depend.

U.S. and Germany Discuss Cooperation in Science and Technology R. & D.

Following is a joint statement issued at Washington and Bonn on March 8 at the conclusion of a visit to the United States by Horst Ehmke, Minister of the Federal Republic of Germany for Research and Technology.

Press release 89 dated March 8

Federal Minister Professor Horst Ehmke visited the United States March 2–8 to discuss common interests in the programs and plans of both countries in science and technology research and development [R. & D.].

During his long-planned visit, Minister Ehmke met with the Honorable Rogers C. B. Morton, Secretary of the Interior; the Honorable Roy L. Ash, Director, Office of Management and Budget; the Honorable Edward M. Kennedy, U.S. Senator; the Honorable William J. Casey, Under Secretary of State for Economic Affairs; the Honorable William E. Simon, Deputy Secretary of the Treasury and Administrator, Federal Energy Office; the Honorable E. T. Klassen, Postmaster General; the Honorable Dixy Lee Ray, Chairman, Atomic Energy Commission; the Honorable Russell E. Train, Administrator, Environmental Protection Agency; the Honorable H. Guyford Stever, Director, National Science Foundation; the Honorable James C. Fletcher, Administrator, National Aeronautics and Space Administration; the Honorable Helmut Sonnenfeldt, Counselor of the Department of State. He also visited the gaseous diffusion enrichment facility at Oak Ridge and the research and development facilities of the Oak Ridge National Laboratory.

During the meetings the mutual conviction was expressed that industrialized nations must relate their advanced research and technology resources to the challenges of modern society.

Minister Ehmke and the Chairman of the Atomic Energy Commission, Dr. Dixy Lee Ray, signed a technical exchange and cooperation agreement between the Atomic Energy Commission and the Federal Ministry of Research and Technology on reactor safety research and development.

Besides traditional fields of cooperation in nuclear energy development and in space research and technology, areas considered particularly appropriate for emphasis include:

—R. & D. in energy and natural resources (e.g., coal gasification and liquefaction, transportation and storage of energy, rational utilization of energy).

—Reactor safety.

—Radioactive waste treatment and storage.

—Biomedical research and technology.

—Environmental research and technology.
—Transportation technology.
—Communication technology.
—Ocean research and technology.

It was agreed that there should be further consultation on cooperation in these areas and that such cooperation should be expanded gradually and with flexibility considering the special characteristics of each sector. Germany and the United States also agree that it is useful to continue exchanges of experience in the planning and assessment of R. & D. relating to modern societal needs.

The traditionally close relations existing between the two governments, various research agencies and institutions, and individual scientists have led to a growing exchange of information and have contributed fruitfully to development in both countries. Minister Ehmke noted that these relations have been highly important, particularly in their first years, in fostering the growing German ability to innovate and to utilize research and technology in key areas in the solution of economic and societal problems. They are now concentrated on problems which are shared by both countries.

The United States and Germany have never considered their relations to be exclusively bilateral. This has been demonstrated by the cooperation between the United States and the European Community in areas such as nuclear research and technological development, and later in European-U.S. space cooperation, to which Germany is contributing actively. It is the hope of both countries that such relations will continue to grow.

The United States and Germany agree that continued cooperation should primarily comprise those areas in which governments have particular responsibility. However, to the extent possible, partners from industry and nongovernment research participating in individual areas will be included in the R. & D. programs effected between the two governments.

Both countries envisage the expansion of their cooperation, particularly in energy, with the addition as appropriate of other countries, in order to incorporate their relations in the cooperative framework sought by Europe and the United States. It is also envisaged that cooperation in energy research and development will be organized on the basis of the communique of the February 10–13 Washington Energy Conference.

Sales to Government of Ecuador Under Foreign Military Sales Act

PRESIDENTIAL DETERMINATION NO. 74–13 [1]

SALES, CREDITS OR GUARANTIES TO THE GOVERNMENT OF ECUADOR UNDER THE FOREIGN MILITARY SALES ACT

Memorandum for the Secretary of State

THE WHITE HOUSE,
Washington, January 21, 1974.

I hereby determine that the waiver of the provisions of Section 3(b) of the Foreign Military Sales Act, as amended, with respect to the Government of Ecuador is important to the security of the United States and, therefore, the provisions of that Section are hereby waived insofar as they relate to sales, credits or guaranties to the Government of Ecuador.

You are requested on my behalf to report this determination and waiver to the Speaker of the House of Representatives and to the Chairman of the Senate Foreign Relations Committee, as required by law.

This determination shall be published in the FEDERAL REGISTER.

Richard Nixon

[1] 39 *Fed. Reg.* 5179.

International Economic Affairs in 1974

Address by William J. Casey
Under Secretary for Economic Affairs [1]

We have seen remarkable, and often unsettling, developments in the international economic scene in the last year: an oil boycott, shortages of many other commodities, turbulence on the world monetary markets, and a renewed surge of inflation in the industrialized nations. What is striking about these developments is the high degree to which they all are interrelated. For example, the oil boycott coupled with the higher prices for crude oil has inflationary trade and monetary implications. Substantial price rises have occurred in food, fibers, and metals. A World Food Conference is being called to deal with problems arising from worldwide shortfalls in agricultural production. These interrelationships, and others too numerous to detail here, illustrate the interdependence which is the key to understanding economic trends and developments in the world.

As we are moving on a number of fronts to deal with the consequences of increased interdependence, it is important to keep in mind that we cannot carry on negotiations in an atmosphere of preemptory demands and confrontation. We are in a situation where all gain or all lose. The nations of the world are inextricably tied together, and the intensity with which economic interests are pursued reflects not a basic disparity of interest but the closeness of our interdependence. Let us now look at the major areas in which attention and activity must be focused in 1974. These are all areas in which prompt action must be taken lest we find ourselves facing intractable problems in a very few years.

Our economic relations with Europe and Japan are highly complex and have undergone considerable evolution in recent years. To keep this relationship relevant to changing requirements, we have engaged in a complex of negotiations to reform the international monetary system, to improve and liberalize the international trading system, to develop investment guidelines, and to meet the challenges of the energy situation.

Since the trade bill was introduced in Congress just under 11 months ago, the trading system—with unexpected suddenness—has been faced with its most severe challenge. As a consequence of the energy situation, the world has been confronted with a renewed temptation to cast aside the discipline of internationally accepted norms and to return to bilateralism and protectionism. Failure to resist that temptation would threaten a breakdown in multilateral economic cooperation and the real possibility of worldwide recession.

We are determined to avoid actions on our part which would contribute to that result. We are convinced that only through cooperative international endeavors can we avoid a serious downturn in our own economic welfare and that of other countries. At the Washington Energy Conference last month 11 other countries, including our major trading partners, joined with us in charting a course of action structured around cooperative multilateral programs which we believe are essential to meet both the immediate and

[1] Made before the Public Affairs Council at Washington on Feb. 28 (press release 75).

the longer term challenges of the energy situation. Included in that program is agreement on the need for all countries to avoid competitive currency devaluations and the escalation of trade restrictions in response to the uncertain impact on their balance of payments of high oil prices.

Multilateral Trade Negotiations

The energy situation has raised questions which are immediately relevant to the trade bill and to the multilateral trade negotiations.

First, the trade negotiations, opened last September in Tokyo, stand as visible evidence of the commitment on the part of over 100 countries to multilateral cooperation and to restraint against unilateral measures to shift to others the burden of economic pressures like the energy situation. These negotiations must now proceed with a new sense of urgency. The preparatory work now underway in Geneva must move ahead as rapidly as possible so that actual negotiations may begin.

The trade bill, on which the Senate Finance Committee will commence hearings next week, provides the authority the administration needs to participate in these negotiations and to enable us to lessen discrimination against our goods in foreign markets, further liberalize world trade on a reciprocal basis, and improve the international framework in which world trade is conducted. Only in the larger forum provided by multilateral negotiations can we adequately resolve the specific and often contentious trade issues that evade solution on a bilateral basis.

Secondly, by resulting in a more efficient allocation of the world's resources, trade liberalization will further the capacity of our economy and those of others to adjust to higher energy costs, including a higher cost for petroleum. In a period where the growth of the world economy will undoubtedly be affected adversely by higher energy costs, it is even more important that we have the stimulation to growth and the anti-inflationary impact which result from a reduction in trade barriers.

Third, the oil situation raises the more general question of the rights and obligations of both consuming and producing countries in the area of scarce resources. Past trade negotiations largely have been concerned with access to markets rather than access to vital raw materials. Existing international trading rules deal inadequately with the conditions governing such access. In the trade negotiations we have the opportunity to look at this issue in greater depth and to examine the need for bringing export restrictions, like import barriers, under similar forms of international discipline.

Only in the larger multilateral forum which the trade negotiations provide can we:

—Take account of the effects on trade of the changes occurring in the structure of the world economy.

—Avoid attempts to solve national problems at the expense of others.

—Keep world markets open and resolve contentious trade issues.

—Reexamine and improve the existing rules governing international trade so that they are equitable and provide sufficient restraint against destructive unilateral actions.

—Develop a positive constructive approach to international trade issues which will strengthen and not break up our political and security partnerships.

Effect of Oil Prices on Payments System

While we are negotiating to develop a more open and more reliable world trading system, the abrupt increase in oil prices will give us urgent and pressing problems in maintaining a satisfactory flow of goods and money. Higher oil prices will bring about a vast transformation of the international payments pattern this year as some $85–$110 billion is abruptly shifted from familiar trading channels to oil-producing countries.

Unless the oil producers' earnings flow quickly back to the consumer states—as purchases of goods and services or as investment capital—in a distribution which permits reasonable growth to be maintained, some coun-

tries will experience reduction in employment and output comparable to that which would result from a very large unexpended tax increase. Though the attractiveness of the U.S. capital market to Arab investors would seem to reduce its vulnerability to this initial impact, we will not be immune from a "ripple effect" from other countries.

Equally serious dangers stem from the possibility that uncoordinated efforts by individual countries to improve their own positions might lead to a destructive round of mutually offsetting actions.

Some actions taken so far by principal consuming countries—piecemeal, ill coordinated, and aimed in various directions—reflect both the breadth of the problem and the limited understanding of its implications. Several countries are exploring the possibility of bilateral deals with oil producers, though only France appears to have gone very far in this direction. To moderate the damage that these deals can do to the worldwide trading system, we have urged some kind of rules of the road and the EC [European Communities] Commission is attempting to draft a "general code" to govern member countries' direct oil deals.

The initial actions of several countries have centered upon the practical matter of financing, through credits, oil import requirements for the coming months. France, the United Kingdom, and Italy are floating or about to float sizable loans in the international capital markets. Italy has increased its swap line with the United States by $1 billion and is seeking a $1.2 billion standby commitment from the IMF [International Monetary Fund]. The EC Commission is drawing up a strategy for concerted action among the member states in seeking international credits to cover the higher oil import costs. Furthermore, since removal of the U.S. capital control programs January 29, West Germany, Belgium, the Netherlands, and France have all reduced their barriers to capital inflows. This will assist those countries to attract money from foreign sources. The IMF's decision late last month to approve the Bank for International Settlements as a holder of SDR's [special drawing rights] should also facilitate short-term financing of oil-related payments deficits.

The dilemma faced by each consumer country is how to generate sufficient foreign exchange to pay its increased oil import bill without cutting down on non-oil imports. To do the latter would lead eventually to reduced employment and output, both domestically and in the countries from which imports are purchased. Such measures as exchange rate depreciation, import restriction, export subsidization, controls on capital outflow, and interest rate or other incentives to encourage capital inflow are of little use in the present situation because the terms of trade have shifted against all oil-importing countries simultaneously. Use of any of these tools by individual nations would quickly be frustrated by similar actions on the part of their trading partners. This could lead to a competitive wave of restrictive measures or bidding for capital that would risk a serious drop in world trade, a deflationary downspiral, and possibly worldwide depression. On the other hand, concerted multilateral efforts to bolster the international payments mechanism can facilitate the very difficult adjustments which must take place and keep the inevitable disruptions to trade, output, and employment at a minimum.

Short-Term Liquidity Measures

The huge amounts of money which Saudi Arabia, Kuwait, and a few other oil producers cannot spend on imports of goods and services will not disappear entirely from the world's production, trade, and payments cycle. These funds will, rather, make a detour through either direct or portfolio investment in advanced countries and increased aid flows to poorer countries. But this rerouting poses two major problems.

First, the balance of payments structure of most countries will be sharply changed.

Consumer countries will now tend to have large current account deficits, which in most cases will not be fully offset by investment inflows. Placements of Arab money are likely to be based, in the first instance at least, upon prudent investment criteria and other concerns of special importance to the Arabs, rather than upon the need to maintain the existing world payments balance. If a long-term contraction of world trade and production is to be avoided, these capital flows must therefore be redirected in some manner to the consumer countries in reasonable proportion to the way the impact of higher oil prices was distributed.

Secondly, it is improbable that Arab oil money can work its way through investment channels into production and consumption without significant time lags and frictional dislocations. The consumer countries' current international reserves are almost certainly insufficient to support simultaneously both moderate growth of non-oil world trade and the immediate requirements of higher priced oil imports.

These two problems seem thus to call for additional international liquidity to take up the slack during the present year and one or possibly more years thereafter and for a recycling mechanism to speed the reflow of oil money through the system and to distribute it in a manner designed to reestablish equilibrium with minimum disruption.

Though it will be necessary to approach the recycling problem in a number of different ways, since no single solution seems likely to suffice, the best starting point might be to strengthen existing market mechanisms or to adapt them in whatever ways seem appropriate to the task. The reduction of capital controls referred to earlier, as well as the IMF approval of the Bank for International Settlements as a holder of SDR's, should enhance the market's capability of mobilizing the oil producers' excess funds for the purpose of financing energy-related payments deficits. Expansion of the $19 billion network of central bank swap arrangements should also be considered as a recycling aid, as should other forms of intergovernmental borrowing and IMF credits.

There might also be a role for one or more new international institutions to act as financial intermediaries between Arab investors and the consuming countries in order to reconcile—insofar as this is possible—the difference between the goals of the one group and the needs of the other. Treasury Secretary Shultz suggested such a "multinational joint venture" at the Washington Energy Conference.

Suggesting a slightly different approach, IMF Managing Director [Johannes] Witteveen last month proposed that the IMF act as a temporary intermediary. While the details of this proposal have to be worked out, it would involve the possibility of drawing on the IMF to help finance the oil price impact upon a country's current account. The amount to be drawn, as well as the terms and conditions, would depend upon the size of the adverse oil price impact on the drawing country, the country's capacity to generate its own financing, and perhaps the size of its international reserves.

The international development banks are also exploring ways of capturing oil money and channeling it to non-oil LDC's [less developed countries]. A few IBRD [International Bank for Reconstruction and Development] bond flotations have already been placed in Arab countries. On February 21 the Shah of Iran told World Bank President [Robert S.] McNamara and IMF Managing Director Witteveen that during 1974 Iran would invest some $200–$300 million in IBRD bonds and would be prepared to lend $600–$700 million to the IMF's proposed oil-financing facility. He also proposed the establishment of a new development institution under worldwide auspices to provide $2–$3 billion annually in soft loans to LDC's. He suggested that the oil-producing countries and the principal industrialized consumers each contribute about $150 million per year to this fund. The support of the other oil

producers, particularly Saudi Arabia, will obviously be crucial to the implementation of this plan.

Energy and Raw Material Shortages

To make short-term liquidity measures safe and workable there will have to be perceptibly, over the horizon, the formulation and implementation of major investment and development projects to overcome long-term energy and raw material shortages.

The implementation of Project Independence is a major key to attracting and using investment capital with initiatives like these:

—A major energy research and commercial development program financed through an energy trust fund, including programs for government loans, grants, and guarantees for the energy and energy equipment industries.

—A major leasing program for mineral rights to Federal lands involving at least 24 million additional acres offered for sale prior to the end of 1978. The program will include a broad geophysical assessment program and experimental drilling on the Outer Continental Shelf and the Gulf of Alaska by 1975.

—A major program to develop plants to produce significant quantities of synthetic gas and oil from coal by 1980.

—A crash program for developing oil from oil shale designed to yield a minimum of 500,000 barrels per day by 1980.

—Construction of 100 new light water nuclear power reactors yielding a total of 120,000 megawatts of installed capacity of power by 1980 and extensive research into other nuclear techniques, including breeder reactors, both gas cooled and liquid metal, and fusion, designed to insure that our nuclear technology and capabilities advance.

—Major research and development plus commercial exploitation of geothermal, solar, magnetohydrodynamics, energy transmission, fuel cells, hydrogen use, and other advanced energy techniques.

—Greater use of mass transit. Today 83 percent of Americans use private vehicles for home-to-work transportation and almost 80 percent ride alone in their cars. We can increase mass transportation facilities so that by 1980 a majority of our commuters will use mass transportation or car pools.

Rising prices and frequent shortages of lumber and newsprint will come from the fact that the earth is gradually being deforested. Pressure on food supplies and the need to put more land into crops comes from rising living standards, resulting in heavier consumption of meat, and from the fact that the oceans are being fished out—not so gradually. Shortages of natural fibers, cotton and wool, are compounded by the fact that rising prices for petroleum will restrict substitution by manmade fibers.

Shortages in energy, labor, and materials, together with fear of pollution, will move whole industries to places where problems can be overcome. It is clear that the Soviets have decided that the way to accelerate their economic development is to acquire technology, capital, and management skills from American, European, and Japanese corporations by giving them the opportunity to work on the large ore and gas deposits and great forest resources which exist within the Soviet Union. Beyond that they seem prepared to offer opportunities to build production facilities which have high energy needs near their hydroelectric plants, which can provide cheap energy and to which accessible and cheap raw materials can be easily brought.

Japan, in its five-year plan, has made a decision to encourage energy-intensive industries, polluting industries, and labor-intensive industries to move south to other offshore islands and the Southeast Asian Peninsula. Germany recognizes that it has been able to increase its production sufficiently to pass the United States as the world's largest exporter of manufactured goods only by bringing in very large numbers of foreign workers from Portugal, Spain, Turkey, and other countries in southern Europe. They now recognize that they have gone about as far as they can in that direction and are beginning to seek further economic expansion

by bringing plants to the workers rather than workers to their plants.

To extract oil and gas from coal and shale, to build nuclear power plants at home, to carry out oil exploration throughout the world, offshore and onshore, to meet other shortages, to overcome pollution, and to develop the less developed parts of the world, we will have to raise hundreds of billions of dollars in this next decade.

As we assess the international economic position of the United States, it becomes clear that we have the need and the opportunity to develop a stronger American role in world capital markets. Our $6 billion trade deficit last year was offset by a $7 billion net inflow in dividends, interest, royalties, et cetera, from our investments abroad. As a country which faces increasing needs for resources of energy and raw materials from abroad, we will have to invest abroad and increase the inflow of investment earnings to justify that investment.

To balance off that investment we will have to attract investments from abroad. We will have to make securities an export. We will have to maintain and strengthen our ability to raise capital throughout the world as well as at home.

I would also like you to know that the State Department pays close and continuing attention to the needs and interests of American investment abroad. We recognize its growing importance to our need for fuel and other raw materials and to the balance of payments of an economy in which two out of three people produce services rather than goods. This kind of economy must rely increasingly on receipts from dividends, royalties, and services—especially financial and management services exported largely in the form of multinational enterprises—and from the export of securities and other investments.

At the same time, the less developed parts of the world have an accentuated need for capital and technology if their development is not to be set back as higher costs of oil substantially cancel out the money that flow to the LDC's in foreign aid. As Secretary Kissinger spelled out in last week's meeting of Foreign Ministers in Mexico City, we are prepared to address this problem seriously.

The multinational corporations you represent are very effective agents of development. While we will make every effort to maintain the level of official development assistance, this is no time to lose the flow of technology, organization and skill, and private capital which multinational corporations can bring to the less developed world. We must recognize that less developed nations have deep concerns and strong fears about the impact and influence of foreign investors on their economies and societies while investors have concerns and fears arising from widespread exprcpriations without adequate compensation. It is very important to address both sets of concerns and to work out understandings which will maintain the level of development effort and the flow of capital, technology, and skill. The officers of our multinationals have a vital role to play in this. Of first importance is for them to see that their companies are good corporate citizens when they invest abroad, that they adhere to local laws and mesh their business activities with the development objectives of their host governments. We, on our part, are working in the OECD [Organization for Economic Cooperation and Development], in the United Nations, in multilateral meetings such as Secretary Kissinger participated in at Mexico City last week, to develop a better climate for and better understanding of foreign investment.

Technological Exchange and Détente

Address by William J. Casey
Under Secretary for Economic Affairs [1]

It is my pleasure to welcome you to the State Department today to discuss with us and with each other the trading of technology—one of the key aspects of the normalization of U.S.-U.S.S.R. economic relations. The expansion of civilian technological exchange with the West, and particularly with the United States, was clearly a strong incentive for the Communist nations in developing a new relationship with us over the last few years. These economic motivations spill over and become a significant factor in improving political relations, which, taken all together, means détente.

The Soviet leaders—and this applies also to the Eastern Europeans and the Chinese—want faster movement in meeting the demands of their people, and of their economic planners, for improved quality, quantity, and range of consumer and industrial products. They have turned to us, to Western Europe, and to Japan for the industrial technology they require to improve their labor productivity, their transportation systems, and their energy supplies and to upgrade their research and development efforts, as well as to produce for their domestic consumers and for export to hard-currency areas.

Nevertheless, in the face of their recognized needs, I expect the expansion of technological exchange with the East to be gradual. There are several reasons for this:

—The Soviet shortage of convertible currencies and their limited ability to rapidly increase their exports. Development of new export resources and markets, after all, takes time.

—The Soviet economic structure. Its heavy reliance on centralized planning and decision-making poses problems of flexibility for the rapid introduction of new, and particularly foreign, technology.

—Their lack of personnel, both labor and supervisory, experienced in Western production methods and processes and of components and materials equivalent to those we employ.

—Our continuing restrictions on the export of technologies which have military as well as civilian applications when we conclude that the risk to U.S. security is unacceptable.

The last point—the only point in my list where U.S. policy is involved—is one you will hear more on this morning. The impact of increased technological trade with the East on our national security is a consideration which no American is prepared to take lightly. Because so much of our technology is multipurpose—that is, it is potentially important to a variety of both civilian and military applications—the judgment problems involved in the export control process are complex.

It is the clear responsibility of the U.S. Government to evaluate carefully, on a case-by-case basis, the possibility that approving the export would make a significant contribution to the military potential of the recipient which would prove detrimental to the national security of the United States.

For some years, our export control legislation specifically prohibited exports which

[1] Made on Feb. 28 before a seminar on technology exchange with the U.S.S.R. held jointly by the Departments of State and Commerce and the Industrial Research Institute and attended by representatives of 87 U.S. firms (press release 74).

would make "a significant contribution to the . . . economic potential of such nation or nations which would prove detrimental to . . . the United States." This is no longer our posture. The Export Administration Act of 1969 removed the "economic potential" criterion and, in addition, provided a congressional endorsement of expansion of peaceful trade with the U.S.S.R. and other Communist countries. This means we no longer subscribe to the proposition that any technological export that strengthens the other's economy or industrial capability necessarily or automatically threatens our security. We recognize that each case must be examined on its own merits. This analysis poses its own special difficulties.

We can start the analysis, quite reasonably, with the premise that Soviet leaders may seek to use U.S. technology to upgrade Soviet military capability.

We clearly have no intention of knowingly contributing to that process. At the same time, we appreciate that in the pursuit of détente the Soviet leadership has other objectives and commitments toward its economy and people, not the least of which is an improvement in those aspects of their economy which are most important to the quality of life. In that task, U.S. technology can play an important part.

Let me pause to put the subject of our conference in some perspective. In the broadest sense, détente stems from a need to avoid the dangers of war. This theme underlies our improving relations with the Soviet Union, which are founded on a set of agreements and continuing negotiations aimed at reducing the risks of conflict. These include the SALT [Strategic Arms Limitation Talks] interim agreement, the continuing negotiations in Geneva aimed at a more lasting treaty on offensive weapons, the 1973 agreement on the prevention of nuclear war, and the ongoing negotiations in Vienna on the reduction of armed forces in Central Europe. Beyond this essential foundation of physical security, however, we see relations evolving along a broad front of interrelated subjects. These will involve increased economic, technical, cultural, and human contact, as well as deepening understanding and agreement on political and security issues. We have learned over the past several years that this range of contacts is not only interrelated but is mutually reinforcing. It also creates interest among a widening range of groups in maintaining stable and mutually advantageous relations between the participating countries.

The Socialist countries' interest in including technical assistance as a component of a deal and their clear preference for financing the deal by reexporting a part of the production to the U.S. firm also poses problems, especially because of the general reluctance to permit participation from our side in the management of the enterprise. Some Eastern European countries—Yugoslavia, Romania, and Hungary—have undertaken joint-venture arrangements with Western firms, primarily to overcome these difficulties. Poland is currently developing legislation to permit a similar approach. We favor such arrangements, in the belief that they offer a greater potential benefit for the U.S. business and at the same time help to create the kind of working ties between the United States and the other side's economies which serve the purposes of détente and of making economic relationships work for both countries. As these ties develop and expand, the number of people in leadership roles in the Communist countries who have a personal vested interest in stable positive relations with the United States will increase.

In this context, I believe we will see a gradual easing of the restrictions on technological exports to the East. The rate of progress will depend in part on progress in other areas, particularly in the reduction of political and military tensions. We are all—you, your government, and the leaders of the Socialist countries—embarked on a learning process. Naturally we will each, quite properly, proceed with caution, but we will proceed.

I have earlier listed some of the possible obstacles I see to a rapid expansion of technological trade with the East. There are others—obstacles with which some of you, at least, are already familiar. The Soviet negotiators are often far removed, bureaucrati-

cally, from the enterprises which will use the imported technology. It may be hard for them —and of course for you—to pin down the significant details of what is wanted, how it will be used, the work environment in which it is to be used, and so forth. Perhaps one of the reasons for the apparent Soviet preference for dealing with multinational corporations is the fact that our multinationals can offer a combination of U.S. technology, which the Soviets seem to prefer, with management representation from Western Europe, where experience in working with Soviet enterprises has developed over a longer period. In any case, as the level of U.S.-Soviet technology exchanges increases, it will be all the more important that we continue the exchange of views and experience between industry and government which we are initiating in this seminar today.

Let me say a few words about quid pro quos. We can point already to important evidence of the value of détente from the international political standpoint, especially with regard to reducing the danger of war, and we clearly hope for and expect even greater political benefits as the process develops. We believe increasing technology trade will yield not only increasing economic gains but also political returns.

However, we do not expect U.S. industry to accept business disadvantage in the name of international political benefits. We expect you to negotiate the best business deals you can make and to refuse deals which do not serve your individual corporate interests as you see them. Clearly, return on your investment and increased profit are the most immediate and tangible reciprocity involved. As good businessmen, you know that you are going to have to deliver the goods—and stand behind them—if you are to continue to develop the market. We are confident that your doing just that will support the broader purposes of détente. In time, we expect also that you will, in this process, find opportunities to import technology from the other side and use it for the advantage of your firms and of U.S. consumers. The range of technology the other side currently has to offer may be limited, but some of it is very good. The bureaucratic obstacles on the other side which I spoke of earlier are obstacles to the reverse flow of technology, also. As you and your counterparts gain experience in working together, I am confident that these obstacles will be overcome and that you will establish a useful reciprocity in technological, as well as monetary, terms.

Technological trade with the East has already gained significant momentum. Prior to 1972, the U.S. share of Soviet imports of plant and equipment from the West was about 5 percent. Currently U.S. firms are getting 20 percent of this business. Of total Soviet purchases for such goods of about $3 billion since the beginning of 1972, $600 million has been contracted with U.S. firms, making us second only to Germany as a source. I believe this is a remarkable achievement when we recognize that Germany, France, Britain, and Japan have been pursuing the Soviet market intensively for 10 years and have the advantage of geographic proximity.

There are those who fear any flow of technology to the East on security grounds or on the grounds that selling a share in our technology base would permit the Socialist countries to undermine the U.S. share of the world market. Both of these possibilities must be viewed seriously. I have every confidence, however, that our export control procedures will insure us against undue risk to our national security. I am confident also that so long as we continue to invest our resources and our best talents in technological innovation, we will retain our world leadership in technology in all those areas vital to our security and to our economic progress. Moreover, the U.S.S.R. and Eastern European countries have been willing to sign contracts which expressly restrict the exports of joint ventures in third markets. In any case, surely we cannot maintain our leadership position by standing pat or by attempting to lock up the benefits of our technology for our exclusive use.

We became world leaders in technological innovation because of our aggressive pursuit

of that goal. Our corporate managements embraced the challenge with enthusiasm and imagination. Our universities responded through curriculum innovation and a high level of basic and applied research without historical precedent or parallel abroad. Our investing public provided the necessary risk capital. In the last few years, the enterprise faltered and the enterprisers went through a crisis of confidence. I believe that we are regaining our earlier momentum. Government R. & D. funding is rising, as is corporate investment. An excessive pool of unemployed R. & D. scientists and engineers is rapidly disappearing. Exciting new technological potentials are opening up. This is surely the answer to the challenges we face in the world marketplace and the best answer, as well, to insuring our national security.

President Nixon Proclaims Vietnam Veterans Day

Following are remarks made by President Nixon in the Cabinet Room of the White House on February 26, together with the text of a proclamation signed that day.

REMARKS BY PRESIDENT NIXON

Weekly Compilation of Presidential Documents dated March 4

This proclamation that I am now signing, all of the Members of the House and the Senate who have sponsored it are aware of it; the members of the press and perhaps the Nation are not aware of why we have a proclamation designating March 29 as Vietnam Veterans Day.

That is the day that the last American combat soldier left Viet-Nam—the day, therefore, that marks the final conclusion of America's longest, and without question its most difficult, war.

It seems to me appropriate that in signing this proclamation that reference be made to those who fought in that war, those who served in that war, why they fought, and why their service was not only in the interest of the country but in the highest tradition of service to the United States of America as far as the wars in which we have been engaged throughout our history, wars which we trust we will not have to be engaged in in the future if our foreign policy is as successful as we hope to make it.

I know that there are some who quarrel with the phrase that I have often used, that our men in Viet-Nam and those who served in the Armed Forces finally achieved what many thought was impossible—peace with honor.

I do not use this phrase in any jingoistic sense. I use it because when I consider the alternative I realize how much those who served did for their country under difficult circumstances.

This has been described as a war without heroes, without heroes, perhaps, except for those who occasionally receive a Medal of Honor that we hand out, but very little attention given to it; those without heroes, a war in which for the first time our prisoners of war come home and for a few fleeting months are recognized for the character that they showed as prisoners. But when I refer to peace with honor achieved by over 2½ million who served in Viet-Nam, I think of what would have happened had they not served and had we failed in our objective.

I am not now going to go into how the war began. It would serve no useful purpose to point out the differences that some of us have had as to how the war was conducted, but I do know this: It was important to bring it to a conclusion in the right way, in a way that America remained respected throughout the world, in a way in which our allies had confidence in us, the neutrals did not lose their faith in us, and particularly where those who might be our opponents still respected us, respected not only our power but respected our strength in terms of will and willingness to use that strength for a cause to which we were committed.

What would have happened had we not

ended the war in the way that we did end it? Seventeen million people in South Viet-Nam, instead of having a government which is non-Communist, with a right to choose for the future, would now be under Communist control.

The 7 million people of Cambodia, who are fighting against very great odds, would certainly now be under Communist control. The small countries of Malaysia and Singapore, the much larger country of Indonesia, Thailand, the 200 million people that live in the perimeter of Southeast Asia—those nations would have a much greater danger threatening them of aggression sweeping over the entire peninsula of Southeast Asia.

People say the domino theory really is not accurate. The difficulty is they have never asked the dominoes; because when we find in visiting those areas, as many of us have, that they are watching what the United States does in terms of its relations to a small country so far away in a very difficult war, when they reach a conclusion that the United States is not a dependable ally, that the United States will be pushed over when faced with Communist aggression, then they lose confidence in us and they accept the inevitable—that the tide of aggression will engulf them also.

So we are grateful to our men who served, because as a result 250 million people, and perhaps more in the Southeast Asian effort have a chance—not a guarantee, but a chance—to choose their own way, a chance to remain free from a takeover by aggression from outside forces.

Our part will in the future be, under the Nixon doctrine, not to furnish troops, but to furnish within our capacities and depending upon their ability to use it, to furnish the economic and military supplies so that they can have what they need to defend themselves.

But, also, the way that this war ended had a much greater significance. There have been some foreign policy developments over the past five years, and particularly over the past two years, that in my opinion would not have occurred, could not have been accomplished, had not the United States proved that it was a dependable ally and also demonstrated in Viet-Nam that it would not join an enemy to overthrow an ally.

What I am referring to is, very simply, that when a great power in any of its relations with any countries, large or small, shows a lack of will, it loses respect not only in that area but it loses respect all over the world, and particularly among those who might oppose it in the future and who might be tempted to engage in adventurism, proceeding on the assumption that the United States, having backed down one place, might do so somewhere else.

So, in conclusion, I simply want to say to the Members of the Congress present, both Democrat and Republican, that we do owe a great debt of honor to those who served here, a great debt that is difficult to repay because this has been a misunderstood war, this has been one in which Americans have been honestly divided and we trust that that may never come again.

But as we see what would have happened had these men not stood firm and had we not backed them up, let me say the chance now to go forward with great initiatives for peace, with the United States strong and respected, we would not have.

So the 2½ million who served in Viet-Nam deserve our thanks. They deserve, I would say to Mr. Johnson [Donald E. Johnson, Administrator of Veterans Affairs], as he may have noted from the press conference last night, special attention insofar as those who have suffered from the wounds of war, and I want particularly personal attention given to any indications that our laws are not being adequately carried out in that respect, in providing the benefits for them.

And finally, looking to the future, the way that we can pay the debt that we owe those who served, those who died, those who were wounded, those who have been prisoners, and those who served and came back with very little in terms of praise or applause, the best way we can repay that debt is to have a strong America militarily, but an America that is respected throughout the world, an

America that will not back away from its great and destined role to be the peacemaker of the world, whether it is in the Mideast, in Europe, in Asia, or in any other area of the world.

That is our goal, and as we designate this as being Vietnam Veterans Day, let us set as our goal that we in the United States will be able to avoid not only more Viet-Nams but build a structure of peace in which all people in the world will be able to avoid a future war, large or small.

TEXT OF PROCLAMATION 4270 [1]

VIETNAM VETERANS DAY

As America enters its second year of peace after a decade of conflict, it is highly appropriate for us to acknowledge the debt we owe to those veterans who served in the Armed Forces during the conflict in Southeast Asia. The untiring devotion that characterized our Armed Forces during this trying conflict is a tribute to the national character.

There are over six and one-half million Vietnam-era veterans, of whom more than two and one-half million served in Vietnam. Despite significant disruptions in their lives and other personal sacrifices, they answered the call of their country and served with great distinction.

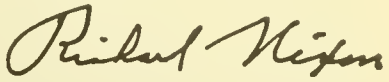
As a Nation, we have acknowledged our deep respect and admiration by setting aside March 29, 1974, as Vietnam Veterans Day to remember that the honorable peace America achieved came through great sacrifice. Those who served, those who gave their lives, those who were disabled, and those who are still missing in Southeast Asia—and whose full accounting we shall continue to seek—deserve the profound gratitude of their countrymen. For this purpose, the Congress has authorized and requested me to issue a proclamation designating March 29, 1974, as Vietnam Veterans Day.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, urge the people of this Nation to join in commemorating Friday, March 29, 1974, as Vietnam Veterans Day with suitable observances.

I direct the appropriate officials of the Government to arrange for the display of the flag of the United States on all public buildings on that day; and I request officials of Federal, State, and local Governments, and civic and patriotic organizations, to give their enthusiastic support to appropriate ceremonies and observances throughout the Nation.

I urge all citizens of every age to participate in the events of this day as one means of honoring those men and women who served their country faithfully and courageously during the Vietnam conflict.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-sixth day of February, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.



[1] 39 *Fed. Reg.* 7773.

Congressional Documents Relating to Foreign Policy

93d Congress, 1st Session

Amendment to the International Civil Aviation Convention. Report, together with individual views, to accompany Ex. Q, 93d Cong., 1st sess. S. Ex. Rept. 93–25. November 15, 1973. 5 pp.

Military Construction Appropriation Bill, 1974. Report to accompany H.R. 11459. S. Rept. 93–548. November 19, 1973. 84 pp.

Foreign Assistance Act of 1973. Conference report to accompany S. 1443. H. Rept. 93–664. November 27, 1973. 55 pp.

The Overseas Private Investment Corporation. A report by the Subcommittee on Foreign Economic Policy of the House Committee on Foreign Affairs. H. Rept. 93–672. November 29, 1973. 39 pp.

Report of Special Study Mission to Southern, East, and West Africa. Composed of Hon. Jonathan B. Bingham, New York, Hon. Edward G. Biester, Jr., Pennsylvania, pursuant to H. Res. 267, authorizing the committee on Foreign Affairs to conduct thorough studies and investigations of all matters coming within the jurisdiction of the committee. H. Rept. 93–673. November 29, 1973. 23 pp.

Data and Analysis Concerning the Possibility of a U.S. Food Embargo as a Response to the Present Arab Oil Boycott. Prepared for the House Committee on Foreign Affairs by the Foreign Affairs Division, Congressional Research Service, Library of Congress. H. Rept. 93–674. November 29, 1973. 7 pp.

Emergency Security Assistance Act of 1973. Hearings before the House Committee on Foreign Affairs. November 30–December 3, 1973. 90 pp.

U.S. Security Issues in Europe: Burden Sharing and Offset, MBFR and Nuclear Weapons. September 1973. A staff report prepared for the use of the Subcommittee on U.S. Security Agreements and Commitments Abroad of the Senate Committee on Foreign Relations. December 2, 1973. 27 pp.

The Prevention of Nuclear War in a World of Uncertainty

Address by Fred C. Iklé
Director, U.S. Arms Control and Disarmament Agency [1]

When officials come from Washington to give a talk in Cambridge, they usually try to establish the intellectual depth of official policies. But since I used to go down to Washington from Cambridge far more often than I have been coming up from Washington, I don't mind doing things upside down today. Hence, I don't intend to dwell upon the intellectual content of the arms control policies of our government. Instead, I am going to start by pointing out what seem to me the limitations of a lot of current thinking on arms control within the American intellectual community as a whole.

Then I will suggest various lines of action that have to be pursued to supplement our efforts for the prevention of nuclear war. My hope is that I can stimulate your thinking about these supplementary programs and enlist your support.

Where many in this field make a dangerous mistake, it seems to me, is in forgetting that our policies for preventing nuclear war must succeed indefinitely in a world with a great many uncertainties. Their mistake is to assume too much certainty and not to look far enough ahead.

In particular, it is usually assumed that the essential features of deterrence can be calculated in advance. Many of you are familiar with calculations of so-called "missile exchanges"—often referred to in arms control literature and in congressional debates.

These calculations continue to be prominent in our thinking because we really know how to do them. Much as in a freshman's algebra test, we have tailored the problem to our capability to calculate. The seemingly rigorous models of nuclear deterrence are built on the rule, "What you can't calculate you leave out." For example, the "missile duels" usually ignore fallout. And the calculations are unable to cope with critical details regarding unreliability. Nor can they fully encompass other nuclear forces such as bombers and sea-based missiles and their many possible interactions.

These limitations of analysis are not the only reason why we must apply greater caution in drawing sweeping conclusions from our work. Our entire structure of thinking about deterrence lacks empiricism. Like no other field of human endeavor, nuclear deterrence is unique in demanding—absolutely compellingly—that we work out successful solutions without directly relevant experience, without experimentation. There can be no trial and error here, no real learning.

Curiously, when we confront the task of calculating traditional conventional military campaigns, we are far more modest than with our calculations about nuclear deterrence. In fact, the more battle experience military analysts have, the more modest they become in predicting the course of conventional war.

But about nuclear war, we pretend that we can analyze all that is relevant. We work with simplistic abstractions and are not too troubled by the discrepancies between these abstractions and the possible reality, a reality that is so hard to imagine.

The current overemphasis on numerical

[1] Made before the Joint Harvard-MIT Arms Control Seminar at Cambridge, Mass., on Feb. 20.

calculations to test the stability of deterrence is only one of several weaknesses in the public discussions of arms control policy. Another weakness is the widespread belief that nuclear deterrence is all that counts.

Our efforts to prevent nuclear war could fail, as all of you know, not only because of an inadequate retaliatory capability to deter a deliberate attack, but for other reasons, such as an accident, an unintended process of escalation, or a combination of failures and causes we could not have anticipated or even imagined. Put in such terms, no one ever disagrees with the proposition that a situation of mutual deterrence does not by itself guarantee the prevention of nuclear war. Yet nearly everyone keeps debating arms control policies and nuclear strategy in terms of naked deterrence.

Thus, it has been argued that a mutual hostage relationship between America and Russia was the principal factor in preventing nuclear war since World War II. How can we know what factors to credit for the fact that nuclear weapons have not been used since August 1946? The formidable confrontation of massive and complicated missile forces that we face today has lasted for one decade only.

Should we credit principally the results of our calculations regarding our so-called retaliatory capability? Shouldn't we also credit the good fortune that there has been no massive failure of the safeguards holding back these missile forces? And that there has been no miscalculation and no unintended interaction of alert measures leading to some use of nuclear weapons and subsequently to a breakdown of communications and control? If one asks why there has been no nuclear war in the past decades, I would add still another reason; namely, a general posture of prudence of our potential adversaries and ourselves.

The danger of relying on naked deterrence is heightened by the current emphasis on speed in planning the response to a nuclear attack. Many of you have heard me say this before, but according to a Russian proverb, repetition is the mother of learning. For various historical reasons, most of our nuclear arms and perhaps the nuclear arms of other countries are built to go into action with the least delay and to operate at the greatest speed. In the real world we live in, the unpredictable perils of split-second alert and launching procedures could create a situation in which there is absolutely no time for correction.

Another fiction has it that mutual deterrence can be safely relied on to prevent nuclear war because we have achieved the necessary consensus between our views and Soviet views about strategic doctrine and strategic forces. This notion of a stable and efficient consensus leaves out two realities:

—First, there are not just two nuclear powers in the world; other nuclear powers may produce turbulence and dangerous shifts in the nuclear balance and in the views about stability.

—Second, intellectual evolution is always possible among the leaders and specialists who determine policy in the Soviet Union, and here as well. Nor, indeed, should we always oppose the emergence of new ideas. As Blake put it: "The man who never alters his opinion is like standing water, and breeds reptiles of the mind." Evolution in strategic thinking might produce situations better, or worse, than what confronts us now.

Let us admit that we are dealing in this field with arguments based on only plausibility, not experience. Many of these arguments can be constructed just as convincingly in their logical opposites. And since nuclear policy cannot possibly be based on actual experience—let us hope and pray it never can—it tends to feed on itself. It gets no feedback from the real world, no empirical evidence of the incontrovertible kind that buttresses the physical and even the social sciences. In this sense we are a ship sailing through the night guided only by the light at the prow.

Because nuclear strategy cannot offer positive proof, I think it is more like a theology than a science. Hence we run the risk that our "theologies"—ours and the Russians'—may not be in harmony. Sudden incompatibilities can develop in military thinking and

could lead to catastrophe. All the more reason, then, for us to keep our minds open and not plan the future by listening only to the echo of our old ideas.

There is a further aspect of accepted doctrine which should trouble us even more. As the President's foreign policy report of last May said:

> While the specter of an unacceptable response is fundamental to deterrence, the ability to kill tens of millions of people is not the only or necessarily the most effective deterrent to every challenge. . . . Moreover, the measurement of the effectiveness of our strategic forces in terms of the numbers of dead is inconsistent with American values.

I wish that this reminder had received a warmer and brighter response.

Many arms control specialists maintain that deterrence requires the threat of genocide—although they would call it "city targeting" or "mutual hostage relationship," since few people have the stomach for full honesty in these matters. According to this thinking, a deterrent will succeed as long as—according to our calculations about "missile duels"—it can result in enough people killed on the other side.

Actually, the more simplified the calculation, the greater is the distance between this atrocious abstraction and the incomprehensible real atrocity for which it serves as a disguise.

Much as we should not plan this country's arms control policy on the basis of intellectualized abstractions and fictions, we also must not develop arms control policy with a stunted moral conscience.

I would be the first to admit a certain guilt in the history of our own American thinking on nuclear weapons. Our guilt can be traced back to the Anglo-American approach to strategic bombing in World War II. The idea of destroying the morale of Nazi Germany and Imperial Japan by killing German and Japanese women and children did have an understandable explanation in terms of that period. It can be traced in part to the emotions of that time. But to a large part this strategy simply rationalized the fact that bombing in those days was so inaccurate that it could only destroy residential areas. In any event, the thinking of World War II strongly influenced our earliest planning on nuclear war in the late forties and early fifties.

But just because certain errors can be explained in terms of their historical origin doesn't mean that we should plan to perpetuate them. We have had enough time now to think these problems through.

To deter a decision to attack us we have to influence those who might make that decision. If the only means to that end were the threatened murder of as many innocent bystanders as possible, that might be justified—to the extent that the end justifies the means.

But nobody has proved that the threat of killing bystanders is the only way to deter.

At the same time, avoiding this error, we should not commit the opposite error; we should never assume that nuclear weapons could be used without an enormous risk of leading to further nuclear escalation and thus to unprecedented civilian death and suffering. It is this very uncertainty which must be a powerful deterrent for any sane leader. Why then should we rig our terrible engines of destruction in such a way as to make genocide certain? Doesn't it make sense to introduce a last chance—should something go wrong—to prevent the utmost catastrophe?

Many thoughtful people manage to feel almost comfortable with the prospect of an enduring confrontation of threatened genocide. How is such an attitude possible? Only by thinking the weapons will never be used. Yet we have to keep in mind that the usability of nuclear weapons is built into them. Indeed, as we all know, nuclear arms are carefully designed and primed for ready use.

Our moral conscience therefore ought to be concerned with this fact of usability. We cannot take leave from the problem by arguing that we do not intend actual use, particularly since the threat leaves too much to chance. Actual use, should it ever occur, would be triggered by a sudden turn

of events that provoked a deliberate decision by a few men, or by some other processes.

And even if it were a deliberate decision, the ensuing cataract of horror would be too immense to be made the moral responsibility of a few misguided men. We do not blame the destruction of four empires and the deaths of at least 10 million in World War I on the assassin of the Archduke at Sarajevo. The blame belongs to the system that failed to avert disaster.

In calling attention to the defects of fashionable current thinking as I have done, I do not for a moment say that we should edge away from the policy of deterrence. I say only that naked deterrence is not enough. Looking ahead into the next 10 to 20 years, I am convinced that we must supplement deterrence, underpin it, by a whole series of positive actions in the technical, military, and political fields.

At this point let me outline a few of the actions I would like to see started without delay. They ought to be started on many intellectual fronts at once, here in Cambridge and in other centers of research around the country. I shall mention four such directions.

One of the tasks falls on those of our engineers and physical scientists who wish to make a contribution toward the prevention of nuclear war. In my opinion, these technical experts must work harder to invent nuclear arms that do not have to be used quickly lest they be destroyed. The present nuclear arsenals in all their many components must be made less dangerous. I am optimistic that more imaginative designs of nuclear arms can still make major contributions toward our arms control objectives. And as a complementary requirement, new arms control agreements should permit, or even encourage, such technical development of safer arms.

Second, another front for action concerns command and control and operational planning. A high-priority task in this field, I am convinced, is to provide for the reversibility of crises.

What do I mean by this phrase? The best way I can explain it is to remind you of one crisis that became irreversible. This was the ever-famous, or ever-infamous, crisis of the last few days before the outbreak of World War I.

A momentum toward war took control of Europe and could not be stopped. On July 28 and 30 Austria-Hungary and Russia ordered their forces mobilized. The next day Germany gave Russia 12 hours to stop its mobilization. When no word came, Germany not only declared war on Russia but also began to move against France.

This was the death sentence on at least 10 million Europeans, most of them young men in the prime of life. The mechanism of mobilization worked with a ratchet effect; it could move notch by notch toward war and into war but never back toward conciliation and peace.

What should give pause to all of us who work on arms control is that the two Hague Peace Conferences in 1899 and 1907 never had this ratchet effect of mobilizations on their agenda. While the conferences represented a serious effort, and while many of the participants had a real sense of foreboding about the next war, their imagination did not encompass the process that was to trigger the catastrophe of 1914—the interlocking mobilization schedules.

Where nuclear arms are involved, we are not dealing with mobilization schedules and warning times measured in days. A move by one side can produce a countermove by the other in a matter of minutes. Command and control procedures could collapse under the strain of time urgency even without nuclear damage. Priority messages to execute alert measures would pile into message centers like an avalanche; other priority messages explaining errors and correcting oversights might well be buried and unread.

The "hot line" between Washington and Moscow might, of course, be useful in helping to keep an American-Soviet crisis reversible. But additional arrangements ought to be invented to make crises more easily rever-

sible, and some of these arrangements might sensibly be the topic of arms control negotiations. This is a rather neglected field for constructive contributions by arms control experts.

Third on my compressed list of what needs to be done on many fronts, let us not underrate the more traditional arms control agreements to limit specific weapons. Such agreements, apart from their immediate impact, can also advance our long-term objectives. For example, by beginning a process of reductions in the levels of nuclear armaments, we bring down the potential destructiveness of the accumulated arsenals. In the long run, moreover, a process of reduction could help to throttle the bureaucratic drives for the quantitative and qualitative arms competition.

We would have to reduce without, of course, shutting our eyes to political realities or the requirements of strategic stability. Indeed, reductions should lead toward safer deployments of nuclear forces.

Finally, we have to place our efforts to prevent nuclear war into the larger context of international affairs. Here again we ought to pay careful attention to the uncertainties of the real world. What are the changing local sources of conflict that could entrap us in dangerous nuclear confrontations? What are the risks of shifting alliances? What are the problems of several national nuclear forces that will increasingly intermingle in various oceans and continue in hostile juxtaposition on the Eurasian continent?

In summing up my message to you, I would say that we must reexamine our premises rather than simply preserve them as if they were articles of faith. Sometimes I think we have behaved like missionaries, driven to intense exertions by our belief in an abstract world of certainty.

Perhaps it is time for us, instead, to behave like anthropologists, sensitive to the uncertainties in our views of the world and willing to study our own cultural straitjackets as well as those of our adversaries. Such relativism will permit a deeper understanding of the limitations of calculations and analysis and permit us to develop arms control policies that pay more attention to uncertainty. Comfortable notions such as "mutual deterrence," strategic "stability," and "safe retaliatory forces" should be regarded as hypotheses in a continuing search for better solutions—not as declarations of faith. A declaration of faith, according to an old Portuguese expression, is an *auto-da-fé*, an act that ends in a mass burning.

Foreign Service Examination

Press release 61 dated February 21

More than 13,700 persons took the written examination for the Foreign Service on December 8, 1973, in cities throughout the United States and at many Foreign Service posts abroad. This is about 2,500 more than have taken any previous examination in the 50 years since the modern Foreign Service was established.

The written examination, given once a year in December, is the first step in the competitive selection of new Foreign Service officers and Foreign Service information officers for appointment to the Department of State and the U.S. Information Agency. The 1,600 who passed the most recent written examination are now eligible for an oral examination given by panels of examiners in Washington and in a number of other large cities in the United States. From those who are successful on the oral examination, the Department of State plans to appoint about 165 new officers and USIA about 20 during the next fiscal year.

The Department of State has increased its efforts to recruit more junior officers who not only have the broad general background required of all officers of the Foreign Service but who also possess special skills required in greater number by the Department, particularly in economics and management. The success of this drive, conducted in graduate schools of economics and business throughout the country, is indicated by the fact that some 43 percent more took the examination for the economic-commercial specialty than in 1972.

The Department and USIA also hope to increase the proportion of women and members of minority groups entering the Foreign Service and have conducted specialized recruiting for them.

The Foreign Service is open to U.S. citizens 21 years of age and over. There are no specific educational requirements, and although most successful candidates are college graduates, no formal college degree is required. Information about the December 1974 examination will be available in June and may be obtained by writing to the Board of Examiners for the Foreign Service, Post Office Box 9317, Rosslyn Station, Arlington, Va. 22209.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Protocol relating to an amendment of the convention on international civil aviation, as amended (TIAS 1591, 3756). Done at Montreal June 21, 1961. Entered into force July 17, 1962. TIAS 5170.
Ratification deposited: Iraq, October 3, 1973.

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170). Done at New York March 12, 1971. Entered into force January 16, 1973. TIAS 7616.
Ratifications deposited: Costa Rica, November 14, 1973; Sudan, November 21, 1973.

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170). Done at Vienna July 7, 1971.[1]
Ratifications deposited: Mexico, September 4, 1973; Nicaragua, October 31, 1973; Pakistan, October 25, 1973.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.
Ratification deposited: Paraguay, Mareh 5, 1974.

Customs

Customs convention on the international transit of goods (ITI convention). Done at Vienna June 7, 1971.[1]
Ratified by the President: March 2, 1974.

Exhibitions

Protocol revising the convention of November 22, 1928, as amended (TIAS 6548, 6549), relating to international expositions, with appendix and annex. Done at Paris November 20, 1972.[1]
Ratification deposited: Netherlands, February 11, 1974.

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna February 21, 1971.[1]
Extended to: Territory of the Sahara by Spain, December 20, 1973.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970.[1]
Accession deposited: Chad, February 12, 1974.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 29, 1971. Entered into force April 18, 1973; for the United States March 10, 1974.
Notification from World Intellectual Property Organization that ratification deposited: Federal Republic of Germany (applicable to West Berlin), February 18, 1974.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.[1]
Ratification deposited: Denmark, January 24, 1974.

BILATERAL

Finland

Agreement relating to the reciprocal acceptance of certificates of airworthiness for imported civil glider aircraft and civil aircraft appliances. Effected by exchange of notes at Washington March 7, 1974. Entered into force March 7, 1974.

Agreement concerning the reciprocal acceptance of certificates of airworthiness for imported civil glider aircraft. Effected by exchange of notes at Washington November 3, 1965. Entered into force November 3, 1965. TIAS 5885.
Terminated: March 7, 1974.

Portugal

Parcel post agreement, with detailed regulations for execution, between the United States and Macao. Signed at Macao February 23 and Washington June 8, 1973.[1]
Approved and ratified by the President: February 28, 1974.

[1] Not in force.

PUBLICATIONS

Department Releases 1974 Edition of "Treaties in Force"

Press release 71 dated February 28

The Department of State on February 28 published "Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force on January 1, 1974."

This is a collection reflecting the bilateral relations of the United States with 159 countries or other political entities and the multilateral relations of the United States with other contracting parties to more than 375 treaties and agreements on 88 subjects. The 1974 edition lists some 320 new treaties and agreements including the agreements on ending the war and restoring peace in Viet-Nam, with protocols; the convention on the international liability for damage caused by space objects; the Geneva convention for the protection of producers of phonograms against unauthorized duplication of their phonograms; the arrangement regarding international trade in textiles; the agreement with Mexico approving minute 242 of the International Boundary and Water Commission setting forth a permanent and definitive solution to the international problem of the salinity of the Colorado River; the agreements with the U.S.S.R. on prevention of nuclear war, scientific and technical cooperation in the field of peaceful uses of atomic energy, and cultural contacts, exchanges and cooperation; the agreement with Cuba on the hijacking of aircraft and vessels and other offenses; and the consular conventions with Hungary, Poland, and Romania.

The bilateral treaties and other agreements are arranged by country or other political entity, and the multilateral treaties and other agreements are arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

This edition includes citations to volumes 1 through 11 of the new compilation entitled "Treaties and Other International Agreements of the United States of America 1776–1949" (Bevans).

"Treaties in Force" provides information concerning treaty relations with numerous newly independent states, indicating wherever possible the provisions of their constitutions and independence arrangements regarding assumption of treaty obligations.

Information on current treaty actions, supplementing the information contained in "Treaties in Force," is published weekly in the Department of State Bulletin.

The 1974 edition of "Treaties in Force" (426 pp., Department of State publication 8755; GPO cat. no. S9.14:974) is for sale by the U.S. Government Bookstore, Department of State, Washington, D.C. 20402, for $3.00.

GPO Sales Publications

Publications may be ordered by catalog or stock number from the U.S. Government Printing Office Bookstore, Department of State, Washington, D.C. 20520. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Background Notes: Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock—at least 140—$16.35; 1-year subscription service for approximately 77 updated or new Notes—$14.50; plastic binder—$1.50.) Single copies of those listed below are available at 25¢ each.

Albania	Cat. No.	S1.123:AL1
	Pub. 8217	4 pp.
Cameroon	Cat. No.	S1.123:C14
	Pub. 8010	4 pp.
India	Cat. No.	S1.123:IN2/2
	Pub. 7847	7 pp.

Agricultural Commodities. Agreement with Pakistan. TIAS 7714. 8 pp. 25¢. (Cat. No. S9.10:7714).

Agricultural Commodities. Agreement with Bangladesh amending the agreement of August 6, 1973. TIAS 7715. 2 pp. 25¢. (Cat. No. S9.10:7715).

Agricultural Commodities. Agreement with Jordan. TIAS 7716. 17 pp. 30¢. (Cat. No. S9.10:7716).

Trade in Wool and Man-Made Fiber Textiles. Understanding with Japan modifying the arrangement of January 3, 1972. TIAS 7717. 3 pp. 25¢. (Cat. No. S9.10:7717).

Trade in Cotton Textiles. Understanding with Japan modifying and extending the arrangement of January 28, 1972, as amended. TIAS 7718. 3 pp. 25¢. (Cat. No. S9.10:7718).

Atomic Energy—Application of Safeguards Pursuant to the Non-Proliferation Treaty. Protocol with Norway and the International Atomic Energy Agency suspending the agreement of May 4, 1967, as amended. TIAS 7721. 3 pp. 25¢. (Cat. No. S9.10: 7721).

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to March 4 which appear in this issue of the BULLETIN are Nos. 61 of February 21, 68 of February 25, and 71, 74, and 75 of February 28.

No.	Date	Subject
†80	3/4	Casey: Adelphi University, Garden City, N.Y., Mar. 3.
*81	3/4	Fritts sworn in as Ambassador to Rwanda (biographic data).
*82	3/4	Vaky sworn in as Ambassador to Colombia (biographic data).
*83	3/4	Kissinger: news conference, Brussels.
*84	3/5	U.S. and Poland sign cotton textile agreement.
*85	3/6	Krebs sworn in as Ambassador to Guyana (biographic data).
†86	3/7	Kissinger: Senate Finance Committee.
*87	3/7	Boster sworn in as Ambassador to Bangladesh (biographic data).
*88	3/8	Selden sworn in as Ambassador to New Zealand, Fiji, Tonga, and Western Samoa (biographic data).
89	3/8	Joint statement on U.S.-German cooperation in research and development.

* Not printed.
† Held for a later issue of the BULLETIN.

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